

# Daily Report

## East Asia

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**Mahathir Speech at Commonwealth Meeting**  
*BK011641 Kuala Lumpur International Service*  
*in English 0610 GMT 1 Sep 87*

["Excerpts" of Malaysian Prime Minister Mahathir's 1 September speech at the opening of the Commonwealth parliamentary meeting in Kuala Lumpur — recorded]

[Text] Yesterday, Malaysia celebrated the 30th anniversary of its independence. I understand that all of you joined in the celebrations yesterday. I do hope that what you had seen yesterday and also during the tours of the country would enable you to have an impression of multiracial, multireligious Malaysia which you are not likely to get especially from reading about it. You have before you matters of importance to deliberate. These matters relate directly to the welfare of the countries and the peoples you represent, their relationship with each other and the roles that they and their governments play. This is in the best tradition of the Commonwealth Parliamentary Association or the CPA, and it is very commendable indeed.

I wish you well for I am sure that only good can come from your meetings and exchange of views. The knowledge and experience gained cannot but help you to understand your own problems better and may even contribute towards their solution. I am on record as being critical of the Commonwealth; I still am. But, the CPA is somewhat different. The Commonwealth I criticize because far too often it did not live up to its name.

There is nothing common about the wealth of the Commonwealth. Often, there is not even a great wealth of understanding between us. The rich among us frequently refuse even to understand the problems faced by the poor, even when the problem is of their making. As the poor struggle to deal with these problems, they are belabored with scathing criticism of being not democratic enough and so on. But, I am not completely right of course. My officers often remind me of the help we and other poor countries received. There is the Commonwealth Fund for Technical Cooperation, the Commonwealth Foundation, the Commonwealth Science Council, the Commonwealth Youths Program. It would be churlish of me not to admit that all these help. That is why we are still in the Commonwealth despite our other disappointments.

The CPA is, as I said just now, quite a different body. It is without doubt of the Commonwealth, and it serves the very useful purpose of spreading knowledge of the role and practice of parliaments in the parliamentary democracies. This is not to say that we cannot learn from other sources, but the constant exchange of ideas and visits and intermingling of parliamentarians during the various conferences of the CPA cannot but heighten the perceptions of the parliamentarians of what parliament is all about. It is important to remember that most of the members of the Commonwealth gained independence a scant 3 decades ago. During the period when they were colonies, parliamentary democracy was quite unknown.

They were governed by bureaucrats with near absolute authority. There may have been legislative councils, but the members were appointed and consequently were beholden only to the authorities. There were therefore none of the traditions and the practices associated with Westminster. Yet, when these countries gained independence, they were expected to suddenly practice parliamentary democracy. No allowance was made for the fact that they had little or no experience of training. From legislative councils where no opposition existed, they were expected to take all the thrust and parry of open debate between the government and the opposition. It is a miracle that these countries managed to retain parliaments and to survive. Perhaps, it is due the fact that they were able to borrow the traditions and practices of the older Commonwealth countries that saved them from anarchy. If it is, then we have to thank the CPA for enabling the borrowing to be effective.

We all know of course that the CPA is instrumental in exposing and educating many a parliamentarian from Commonwealth countries in the intricacies of parliamentary practice and its traditions. But, the CPA of course does more than that. It holds conferences in countries of the Commonwealth; it also holds council or executive committee meetings in the smaller countries which are unable to host the big conferences. A lot of people travel these days, but many countries are missed out because they are out of the way or are too small. The people of the Caribbean find little reason to visit South-east Asia or the South Pacific and vice versa. But with membership in the Commonwealth Parliamentary Association, these places are visited and friendship and understanding is the result. Malaysia is one of those countries which appreciates the friendship and understanding of parliamentarians everywhere.

We are a multiracial country. It is not of our own making; it was thrust upon us during the period when we were under colonial rule. Since independence, we have been trying to foster racial harmony. Malaysians respect each other's religions, customs, and beliefs, are able to give and take, and are also tolerant of one another. We therefore get on reasonably well. One would think that the people who inflict this on us would appreciate it, appreciate the tolerance of the three major races in Malaysia. But no such appreciation is forthcoming.

The CPA is of course not so inward-looking that this country is interested only in its own image. You are also very interested in the fate of humanity in every corner of the globe. In particular, you are interested in the struggle of the blacks in South Africa against the crime of apartheid and minority rule. Malaysia has been unequivocal in its abhorrence and condemnation of the racist white regime in South Africa. It was Malaysia which initiated the expulsion of South Africa from the Commonwealth, and as early as 1965 Malaysia applied sanctions against South Africa. We in Malaysia feel strongly that South Africa should be completely ostracized. The excuses that sanctions would hurt the blacks more than the whites have been disproved by the realities that we

see today. The blacks are being oppressed, ill-treated, and murdered even without sanctions. We are only prolonging their suffering by our half measures. The only answer is total sanctions and isolation. The CPA must urge the doubting Margarets from among the heads of government attending the CHOGM [Commonwealth Heads of Government Meeting] in Vancouver to resolve to apply sanctions now. Then and then only will the Commonwealth be meaningful. The few should not allow the many to suffer so much for filthy lucre.

The CPA is a multinational organization. As such, its discussions are multilateral. The greatest multinational organization of all is the United Nations. It was founded on the premise that all nations are equal and therefore have equal rights to discuss world affairs. However, of late, we see a tendency to ignore the United Nations multilateralism in favor of bilateralism or limited small groups. If the discussions of these small groups do not affect other countries, they are welcomed to it. But in

many instances, the resolutions adopted at these meetings affect adversely a lot of other countries. A case in point is the Group of Seven rich countries. It is as a result of this group's meeting that suddenly many poor countries have been made poorer. The exchange rates of different currencies have been manipulated so that suddenly poor countries find their external debts have been doubled and their export earnings reduced. Poor countries find it difficult enough to handle banks which speculate in their currencies. But, against the currency manipulation of rich countries they do not stand a chance. And when rich countries get together to rearrange the financial and economic affairs of the world to their advantage, poor countries cannot but be the losers.

We must return to multilateralism. Admittedly, the United Nations is cumbersome and some members can be unreasonable. But, it is still the only truly representative body of the countries of the world. It can be improved but it must not be bypassed. The CPA, itself a multinational body, must support multilateralism as exemplified by the United Nations.



## Japan

**Envoy Says Reagan Willing To Meet Nakasone**  
OW011219 Tokyo KYODO in English 1206 GMT  
1 Sep 87

[Text] Tokyo, Sept. 1 KYODO — U.S. President Ronald Reagan is willing to meet Japanese Prime Minister Yasuhiro Nakasone should he visit New York late this month, Japanese Ambassador to Washington Nobuo Matsunaga said Tuesday.

Matsunaga said he told this to Nakasone when they met at the prime minister's official residence, adding that Nakasone responded positively to the idea of his visiting New York.

The envoy returned to Tokyo Monday for consultations with the home government on the scheduled visit to the United States in October by Crown Prince Akihito and Princess Michiko and Japan-U.S. trade and other relations.

Official sources said the two governments are trying to arrange the Nakasone-Reagan meeting in New York on September 21.

Matsunaga said he strongly advised Nakasone to visit New York to attend a session of the U.N. General Assembly and hold talks with Reagan.

He said the prime minister reacted positively to his advice although Nakasone said he would study the New York visit with the current Diet deliberations taken into consideration.

Matsunaga told Nakasone that the prime minister should visit the United States because the coming several months will be critical for Japan as the U.S. Senate and House of Representatives will resume their joint committee meeting soon to amalgamate omnibus trade bills which could be detrimental to Japan.

He said Reagan is going to exercise the right of veto to such bills but Nakasone should confirm Reagan's intention in talks with the President.

He also told Nakasone that his talks with Reagan will be significant as Soviet Foreign Minister Eduard Shevardnadze will shortly meet U.S. Secretary of State George Shultz on the removal of intermediate-range nuclear forces (INF) from Europe and Asia.

The ambassador said Japan's image in the United States is worsening and he is in need of "good news" to improve the image.

He said one piece of such good news will be Japan's early implementation of 20 billion dollar trade surplus recycling program to developing nations and added the Japanese government should disclose details of the program.

## Nakasone Reaffirms U.S. Visit

OW020727 Tokyo KYODO in English 0722 GMT  
2 Sep 87

[Text] Tokyo, Sept. 2 KYODO — Prime Minister Yasuhiro Nakasone reaffirmed Wednesday his intention of visiting the United States later this month, telling the Diet that Japan and the United States could iron out their problems if their leaders and cabinet members have more frequent contact.

The prime minister plans to visit the United States for four or five days around September 20 to address the United Nations General Assembly and to meet President Ronald Reagan, his aides say. No official announcement has been made about the visit, however.

Nakasone, replying to an opposition question at a session of the House of Representatives' Finance Committee, said he is prepared to express his opinion on U.S.-Soviet disarmament talks if asked to do so.

Nakasone said he knows that the superpowers are drafting an agreement on the reduction of intermediate-range nuclear force (INF) weapons.

**Ministry Spokesman on Trade Talks With U.S.**  
OW011001 Tokyo KYODO in English 0940 GMT  
1 Sep 87

[Text] Tokyo, Sept. 1 KYODO — The United States urged Japan to substantially open the Japanese market to U.S. products on the first day of a two-day bilateral trade committee meeting that opened in Maui, Hawaii, Monday, a Foreign Ministry official said Tuesday.

According to reports reaching Tokyo from Hawaii, Michael Smith, deputy trade representative who heads the U.S. delegation, explained current trade problems in the U.S. and called on Japan to substantially open its market.

Koji Watanabe, director general of the Foreign Ministry's Economic Affairs Bureau, who heads the Japanese group, said Japan has solved many trade issues with the U.S. over the past year.

Smith was also briefed on how Japan's exports have levelled off recently and how imports, particularly product imports, have increased.

Smith asked Japan to import more capital goods.

The first meeting took up issues the U.S. is interested in such as supercomputers, the new Kansai International Airport project, government subsidies to small firms, patent rights for digital audio tape recorders (DAT), and soda ash.

U.S. requests on these issues included further study on specially-reduced prices of supercomputers for academic institutions in Japan and implementation of preventive measures against pirating using digital audio tape recorders and video recorders.

Americans also asked that the Japanese not subsidize exports by smaller firms and that Japan import more soda ash from the U.S.

The second meeting will focus on Japanese interests such as omnibus trade bills presently before the Congress and the controversial issue of market opening to U.S. agricultural produce, the official said.

#### **Doyukai on Trade Issue**

OW010823 Tokyo KYODO in English 0639 GMT  
1 Sep 87

[Text] Tokyo, Sept. 1 KYODO — A leading businessmen's organization called on the government Tuesday to cooperate with private circles to achieve drastic changes to solve Japan's trade imbalances.

The Japan Association of Corporate Executives (Keizei Doyukai) said in a report that the next few years will be crucial in deciding whether Japan can resolve problems stemming from its trade imbalance and avoid isolation in the international community.

It said Japan's current account surplus, exceeding 100 billion dollars in its world trade has increased economic discord between the United States and Japan and there is little time to correct the situation.

The government should use the national budget for the next fiscal year, starting next April to drastically change tax provisions so as to stimulate domestic demand and upgrade market-opening measures.

It suggested halving the existing import restrictions on 22 farm produce and doubling purchases of foreign goods by central and local governments.

The report also called for measures to support restructuring of the economy and increased spending in economic assistance to developing nations.

At a press conference on the report, Doyukai chairman Takashi Ishihara said Japan's policies are closely watched by other nations of the world and the country should have a leader who has a strong will to make political innovations.

#### **U.S. Official Talks About Toshiba Affair**

OW020437 Tokyo KYODO in English 0351 GMT  
2 Sep 87

[Text] Tokyo, Sept. 2 KYODO — The U.S. Government and Congress may compromise on a trade bill featuring punitive steps to avoid a repeat of the Toshiba Machine scandal, a senior U.S. trade official hinted Wednesday.

Paul Freedenberg, assistant secretary of commerce for trade administration, dropped the hint in citing strong patriotic sentiment on Capitol Hill against the illegal sales of high technology to the Soviet Union by Toshiba Machine Co.

"This administration could be forced to accept some form of punitive measures," he told a seminar on export control at a Tokyo hotel.

Fifteen bills and amendments are now before Congress to penalize Toshiba Corp., Toshiba Machine's parent company, and prevent similar violations of COCOM [Coordinating Committee for Multilateral Export Controls] rules barring exports of strategic commodities to the Soviet Union and other communist bloc countries.

But Freedenberg predicted that there will be "a reasonable chance" of a revised amendment to punish wrongdoers such as Toshiba in the course of sessions with congressional members on trade legislation this fall.

The commerce department official insisted, however, there was a "direct" causal relationship between the unauthorized high technology sales by Toshiba Machine and Norway's Kongsberg Vaapenfabrikk and the resultant emergence of ultra-quiet Soviet submarines.

The angry mood in Washington also reflects "a spillover from trade friction" between Tokyo and Washington, Freedenberg acknowledged.

At the same time, Freedenberg acknowledged that U.S. firms have been found to be in violation of the COCOM regulations. "We are vigorously pursuing the cases," he added.

His comments came after Noboru Hatakeyama, his counterpart in the Ministry of International Trade and Industry spoke at the seminar on new Japanese measures to halt a repetition of illegal sales of high technology to the Soviet bloc.

Hatakeyama, director general of MITI's International Trade Administration Bureau, said that a bill toughening Japan's foreign exchange and foreign trade control law is being debated by the house of councillors for ratification.

Both Hatakeyama and Freedenberg called on some 270 businessmen at the seminar to recognize their responsibilities for the sake of Western security beyond their balance sheets.

The seminar was sponsored by the Japan Economic Foundation and co-sponsored by five major export organizations like the Japan Machinery Exporters' Association.

To deter unlawful sales of high technology to the communist bloc, Freedenberg called for a stiffer multilateral export control system by instituting internal control systems within private firms and multiple distribution licenses such as those in the U.S.

Hatakeyama said MITI minister Hajime Tamura will meet with representatives of 150 industry organizations Monday to seek their help in honoring the COCOM rules.

**Meets with MITI's Tamura**

*OW020835 Tokyo KYODO in English 0821 GMT*  
*2 Sep 87*

[Text] Tokyo, Sept. 2 KYODO — U.S. Assistant Secretary of Commerce Paul Freedenberg said Wednesday he appreciates Japan's efforts to tighten controls on exports of sensitive goods to East European countries.

Freedenberg made the remark during a 30-minute meeting with Hajime Tamura, minister of international trade and industry, according to Japanese officials.

Their discussions centered on Japan's efforts to prevent future violations of rules set by the Coordinating Committee [for Multilateral Export Controls] (COCOM), a Paris-based multinational group to control exports of strategic materials to communist countries.

The officials quoted Freedenberg as telling Tamura he highly appreciated Japanese efforts to tighten export controls.

Freedenberg also said the United States was satisfied with the outcome of discussions on the issue at what were the first high-level consultations held with Japan.

Tamura asked Freedenberg to try to prevent enactment of a U.S. trade bill punishing Toshiba Corp., the Japanese electronics giant whose subsidiary, Toshiba Machine Co., exported sophisticated milling machines to the Soviet Union in violation of COCOM rules.

Freedenberg said the U.S. Administration is opposed to the passage of protectionist legislation and promised he would tell U.S. Government and congressional leaders of Japan's sincere efforts to prevent future violations of COCOM rules.

**Tower Erected Amid Protest on Miyakejima**

*OW011431 Tokyo KYODO in English 1424 GMT*  
*1 Sep 87*

[Text] Miyakejima, Sept. 1 KYODO — The Defense Facilities Administration Agency Tuesday set up a weather observation tower on Miyakejima, an island south of Tokyo, amid strong protests by local residents.

The agency resumed the construction of the tower, which had been suspended since July, after riot police forcibly removed about 700 protesters from the construction site. The residents staged a sit-in and skirmished with riot police to protest the agency's plan to build an airstrip on the island for night landing practice by U.S. Navy aircraft.

With the completion of the new tower the agency will have towers to survey meteorological conditions at all three candidate sites for the airstrip.

About 200 agency officials and construction workers tried to begin the construction in the Ako district early Tuesday morning but could not do so due to the sit-in.

After about 270 riot police removed about 700 protesters from the construction site, the agency erected the tower in the night. Police arrested eight protesters allegedly for obstructing police duties. More than 10 protesters were slightly injured in the skirmish with riot police.

In scorching summer heat, 18 riot policemen were also felled due to sunstroke in the afternoon. Police airlifted 100 extra riot policemen to the island to ensure the construction.

The agency plans to build the airstrip on the island to provide an alternative landing strip to the one at Atsugi Naval Air Station in Kanagawa Prefecture.

**Nakasone To Visit Thailand 25 September**

*OW011143 Tokyo KYODO in English 1141 GMT*  
*1 Sep 87*

[Text] Tokyo, Sept. 1 KYODO — Prime Minister Yasuhiro Nakasone will visit Thailand for three days starting September 25, the government decided Tuesday.

During the visit, Nakasone will attend a reception commemorating the centennial of Japan-Thailand friendship and meet King Phumiphon Adunyadet and Prime Minister Prem Tinsulanon.

**Intervention in Exchange Rate Continues**

*OW020805 Tokyo KYODO in English 0730 GMT*  
*2 Sep 87*

[Text] Tokyo, Sept. 2 KYODO — Bank of Japan (BOJ) sources said Wednesday that Japan and other major advanced nations would continue coordinated intervention in foreign exchange markets to stabilize exchange rates.

Asked to comment on a market rumor that intervention by the U.S. monetary authorities has been passive in recent days, the sources said the rumor is unrealistic and the Japanese central bank believes that the U.S. is serious about intervention.

The sources said there has been no change in the economic fundamentals of Japan and the U.S. to necessitate and exchange rate revision.

The U.S. dollar has turned sharply lower to the 140 yen level since mid-August following the U.S. announcement of a larger-than expected trade deficit in June.

The sources said BOJ Governor Satoshi Sumita is expected to meet with newly appointed U.S. Federal Reserve Board Chairman Alan Greenspan early next week for the first time since Greenspan took office. The two are scheduled to attend a monthly central bank governors' meeting of the Bank for International Settlements (BIS) in Basel, Switzerland.

Greenspan was likely to brief Sumita on his stand on monetary affairs at the meeting, they said, while Sumita would seek a deepening of mutual understanding of the



importance of exchange stability for Japan to realize its international commitment to expand domestic demand and restructure its economy, in a way to correct its trade imbalance.

### North Korea

**Kim Il-song Cables SRV Party, State Leaders**  
*SK011123 Pyongyang KCNA in English 1107 GMT*  
1 Sep 87

[Text] Pyongyang September 1 (KCNA) — Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, Tuesday sent a message of greetings to Comrade Nguyen Van Linh, general secretary of the Central Committee of the Communist Party of Viet Nam [CPVN], and Comrade Vo Chi Cong, president of the State Council of the Socialist Republic of Viet Nam [SRVN] on the 42nd anniversary of the national day of the SRVN.

The message says in the past 40 odd years, the Vietnamese people, under the leadership of the Communist Party of Viet Nam, waged an arduous struggle to drive back repeated armed invasion of imperialists and thus defended the gains of the revolution and won the complete liberation of the country and its reunification, and have registered many successes in socialist construction.

Noting that they are now striving to implement the decisions of the Sixth Congress of the CPVN and carry out the five-year plan, the message expresses the belief that the friendly and cooperative relations between the peoples of the two countries will continue to develop.

**CPRF Denounces Repressive Campaign**  
*SK020529 Pyongyang KCNA in English 0448 GMT*  
2 Sep 87

[Text] Pyongyang September 2 (KCNA) — The Chon Tu-hwan-No Tae-u group has launched a renewed repressive campaign, branding the patriotic and democratic forces of South Korea as "leftist pro-communist elements." Considering this criminal act to be a new, all-out fascist reactionary offensive against human rights and democracy and a malicious challenge to unity and reunification of the nation, the Committee for the Peaceful Reunification of the Fatherland vehemently denounces it.

The CPRF says this in its statement published on September 1.

Noting that the South Korean fascist clique, under the slogan of "uprooting leftist pro-communist force," have started a new fascist offensive in their crackdown on the patriotic and democratic forces which demand independence, democracy and reunification, the statement says:

Broad sections of the people including workers and students and the headquarters of the people's movement for democratic constitution and other opposition organizations in South Korea are now showing indications of

carrying their anti-U.S., anti-fascist struggle to the last, calling for the complete release of "political prisoners," the resignation of the Chon Tu-hwan-No Tae-u group, the punishment of the mastermind of the Kwangju bloodbath and the institution of a new democratic constitution. As a result, the Chon Tu-hwan-No Tae-u group has faced a serious danger again in its scheme to defuse the pending crisis with an advertisement of its "commitments to democratization" and prolong the military dictatorship.

The fascist clique is trying to find a way out of this new political crisis in a wholesale suppressive campaign under the slogan of "uprooting leftist pro-communist force."

This reactionary offensive of the Chon Tu-hwan-No Tae-u group is aimed to remove and emasculate the nuclei of the patriotic and democratic forces, discarding even their deceptive "commitments to democratization" under the pretext of "rooting out leftist pro-communist force," and thereby dampen the desire of the South Korean people for independence, democracy and reunification and prolong its military fascist dictatorship at any cost.

The Chon Tu-hwan-No Tae-u group must stop its foolish suppressive racket and step down without delay as demanded by the people.

**Daily Examines No Tae-u's Popularity**  
*SK010134 Pyongyang Domestic Service in Korean*  
2147 GMT 30 Aug 87

[Nodong Sinmun 31 August special article: "A Fascist Murderer's Operation To Usurp Power"]

[Text] No Tae-u, president of the DJP, known as a horned devil, is now running amok to carry out a plot to usurp power behind a silk mask.

Appearing in Pusan, South Kyongsang Province, South Cholla Province, and South Chungchong Province — areas stricken and devastated by typhoons — not to mention Seoul, he babbled about consolation and encouragement. At the same time, he has also kicked up the commotion of meeting with opposition figures, holding talks with presidents of universities and religious representatives, and inviting overseas Korean compatriots to come to their homeland, while impudently paying lip service to such words as democracy and public sentiment.

In addition, holding press conferences and granting interviews with reporters of newspapers and news agencies from such foreign countries as the United States and Japan, not to mention from South Korean newspapers, magazines, and broadcast stations, he has uttered such insolent remarks as his being recorded in history or his being a candidate blessed by the people.

The problem is that No Tae-u's strategy to win popularity is not only rejected, but ridiculed throughout the country. By uttering such empty words as misfortune



turning into a blessing when addressing people who have lost their houses and are in a desperate state as a result of the recent flood, he provoked indignation among the residents and had to run away in an shameful manner.

When there was a funeral service for patriotic student Yi Han-yol, he sent flowers in his name and attempted to go to the bier to burn incense in a bid to earn the people's respect. However, his flowers were trod upon by the outraged youths, students, and people. Upon hearing this news, he abandoned the idea of going to the bier.

Why, then, is the military thug No Tae-u nosily running around poking his nose into this and that, with the horns on his head covered with a silk cloth?

His goal is to regain popularity lost when the people strongly rejected and denounced the DJP thug party's nomination of him as a presidential candidate so as to force his way at any cost into the presidential office and prolong the moribund DJP's fascist dictatorial power. This is why he paid lip service to such words as public sentiment and democratic development, which he never meant, and even went to the point of announcing the so-called eight-point measure for democratization and the 29 June decision to bring the situation under control.

Of course, from the beginning there were none who believed it.

Youths and students, shouting for the people not to allow themselves to be deceived by No Tae-u, trod upon his photographs strewn on the streets, while burning the Chon Tu-hwan-No Tae-u ring in effigy.

Even in a recent open discussion with students, No Tae-u was denounced for not being honest. That the students' assertions and actions were right is evidenced by the fact that the ring has been idling, not taking any significant measures to implement the puppet traitors' decision to bring the situation under control and the special statement, even after 2 months.

As for the game of granting amnesty and restoring civil rights, noisily touted by the puppets as a special benevolence, it has been shelved, with only a few political prisoners and general criminals released.

A report by Amnesty International pointed out in mid-August that the number of politicians still in prison is twice as many as those who were released. When the families of detainees visited the DJP to demand the release of conscientious prisoners, No Tae-u told them that he was not in a position to resolve such a question, thus attempting to evade them. This also showed his cunning nature.

The rascal even resorted to violence against the families of detainees by mobilizing the police and arresting and imprisoning them. An article in *The New York Times* noted that No Tae-u will continue to implement his predecessors' policy based on cruelty perpetrated against political opponents and on strengthening the armed forces. This is no accident.

In the so-called 29 June declaration, in his inaugural speech as the DJP president, and whenever he finds the opportunity, No Tae-u has stated that measures have been worked out to promote the autonomy of the press and publications and that he would announce future steps that include abolishing the Basic Press Law. What are the measures he has worked out to activate the press?

*Chungang Ilbo*, a South Korean paper, carried an editorial immediately after reviewing the measures for the press put forward by the DJP and stressed that they are no different from the existing basic press law, asking: Are these the measures to activate the press?

In South Korea, where not a day passes without the firing of tear gas with no mention of the promotion of human rights, a young worker, who rose in the struggle for democracy and the right to exist, was murdered with a teargas canister a few days ago.

Even *Choson Ilbo*, another South Korean paper, pointed out that No Tae-u has made a number of splendid speeches and statements, but there is considerable difference between them and reality. The Chon To-hwan-No Tae-u clique hung out a white flag while kneeling down before the people's June resistance. However, the rascals have not abandoned their ambition for power.

Traitor No Tae-u busily went about for this power and has tried to win the people's favor. He has even courted opposition figures and frantically propagandized himself through various publications and by appearing on broadcast programs.

Those who support the puppet traitor's operation to win popularity for usurping power are the U.S. imperialists. Lilley, the U.S. Ambassador to South Korea, praised No Tae-u with various flowery words and even described him as a hero. Needless to say, this has given rise to hot criticism by the people.

The U.S. imperialists are desperately running amok to extend the DJP's fascist dictatorship at any cost. However, the people will never tolerate No Tae-u, a faithful long-time stooge of the U.S. imperialists and a military gangster.

No Tae-u has explained that his name means big fool [No Tae-u once jokingly remarked that his name can be translated to mean "big fool"] and has noted that with his big ears, he always carefully listens to the people's remarks. Is it not time for him to listen to the South Korean people's remarks and stop his foolish act?

**Choe Yong-hae on Youth League Anniversary**  
SK010937 Pyongyang Domestic Service in Korean  
0934 GMT 27 Aug 87

[Speech by Choe Yong-hae, member of the WPK Central Committee and chairman of the LSWYK Central Committee, at the central meeting held in Pyongyang on 27 August at the People's Palace of Culture on the 60th anniversary of the founding of the Young Communist League of Korea — live]

[Excerpts] Comrades: Today, we meaningfully mark the 60th anniversary of the Young Communist League of Korea [YCLK] under the magnificent circumstances in which all people across the country are effecting great upsurges in production in fulfilling the task of the first year of the Third 7-Year Plan according to the splendid blueprint unfolded by the great leader Comrade Kim Il-song with great hope for the future and the faith in victory and are struggling vigorously to accelerate the complete victory of socialism and the cause of the fatherland's reunification.

The YCLK, which the great leader Comrade Kim Il-song personally founded 60 years ago on 28 August 1927 as a revolutionary vanguard organization founded by inheriting the Down-With-Imperialism Union, won an immortal achievement in developing our people's anti-Japanese national liberation struggle and the Korean communist movement. [applause] [passage omitted]

On this meaningful occasion of celebrating the 60th anniversary of the founding of the YCLK, reflecting the boundless admiration and loyalty of all people and youths, I extend the greatest honor and warmest gratitude to the great leader of our party and people Comrade Kim Il-song, who has opened the true beginning of the young communist movement of our country, established the brilliant revolutionary tradition of our party and the young communist movement of Korea amid the arduous trials of the anti-Japanese revolutionary struggle, led our revolution and construction along the single road of victory under the revolutionary banner of the great chuche idea, and provided boundless honor and happiness for our people and the growing new generations. [applause]

Comrades, ceaselessly strengthening and developing the youth movement is an important mission which the party of the working class should accomplish for the victory of the revolutionary cause which is carried on generation after generation.

The struggle for socialism and communism is a historic cause which is carried on for long, and the final victory of the revolution in each country largely depends on the education and preparation of those who will inherit the lineage of the revolution.

To nurture the heirs of the revolution and guarantee the persistent development of the revolution, the revolutionary tradition established by the leader at the time of pioneering the revolution must be firmly defended and brilliantly inherited generation after generation.

The revolutionary tradition is a noble asset which has been gained in the course of the main force of the revolution growing up from its historic root and it has been strengthened and developed. It is the blood vessel that maintains the lineage of the revolution. Thus, defending the revolutionary tradition and inheriting it purely are a principled demand which must be firmly adhered to in defending and strengthening the main force of the revolution and in guaranteeing continuity and consistency in the revolution.

Following liberation, in our country, at every historic stage — the democratic revolution, the establishment of the new fatherland, the fatherland liberation war, and the postwar socialist revolution and construction — the youth movement has continued its vigorous development and the youths have successfully accomplished their mission and played their roles as supporter of the party and as workers to build a new society. This is a result of the brilliant embodiment of this principled revolutionary demand in our party's leadership over the youth movement. [applause]

Under those complicated circumstances following the liberation, only by brilliantly inheriting the glorious tradition of the youth movement established during the anti-Japanese revolutionary struggle could our party swiftly implement the chuche-oriented line to found a democratic youth league and prevent the youth movement from being divided, thus rallying a broad spectrum of youths under a single youth system under the banner of democracy. At the same time, only by doing this, during those difficult days of the fatherland liberation war and the postwar socialist revolution and construction, could our party firmly rally the millions of youths of our country around the party and the leader and invariably organize and mobilize them for the achievement of the sacred cause to defend the fatherland and carry out socialist construction.

That the YCLK was reorganized into the LSWYK, through the embodiment of the great leader Comrade Kim Il-song's outstanding youth movement ideology and our party's unique policy to establish a youth system, was another epochal event in developing the youth movement and work in our country according to the new demand of the developing revolution.

By reorganizing the YCLK into the LSWYK, the youth league of our country has been further strengthened and developed as an even more powerful combat organization of the Korean youths who struggle for socialism and communism as the credible reservists of the WPK and as a youth organization which nurtures the heirs of the chuche cause even more properly.

Thanks to the wise leadership of our party, which ceaselessly deepens and develops the youth movement and organization by inheriting the noble tradition of the anti-Japanese revolutionary struggle, our country's youth movement, along with the vigorous march for the chucheization of the entire society, has reached a new high stage. Our glorious party, through the energetic ideological and theoretical activities and tested leadership, is developing our country's youth movement more vigorously into a revolutionary movement to uphold the chuche revolutionary cause of the great leader Comrade Kim Il-song and to truly contribute to the struggle for its achievement. [applause] [passage omitted]

Our party and people are now facing an important mission to win the complete victory of socialism in the northern half of the republic and accelerate the independent reunification of the fatherland by more vigorously

accelerating the chuche revolutionary cause which was pioneered and has been developed under the banner of the chuche idea. [passage omitted]

For the party members and working people, firmly arming oneself with the revolutionary tradition of our party and brilliantly inheriting it are essential in firmly defending our revolutionary cause — the chuche revolutionary cause — which has been explored and developed under the banner of the chuche idea and to consummate it by carrying it out generation after generation.

The revolutionary tradition of our party is the chuche revolutionary tradition, and the struggle to inherit and develop it, in its essence, is the one to firmly defend and embody the chuche idea.

Among the party members and working people, particularly among the new generations which have not experienced the trials of past revolutionary struggle, we must vigorously carry out the work to arm ourselves with the revolutionary tradition of our party based on the fundamental principle of the chuche idea. By so doing, we must firmly defend the shining tradition of the blood-sealed unity of the leader, the party, and the masses; strengthen and develop our party into an everlasting revolutionary party which never stops struggling; and inherit purely our party's chuche lineage. [applause]

Today, we are facing an important task to step up the general march to successfully fulfill the Third 7-Year Plan, the new far-reaching program of socialist construction, by upholding the great leader Comrade Kim Il-song's historic policy speech at the first session of the Eighth SPA.

All party members and working people, by vigorously carrying out the three revolutions — ideological, technological, and cultural — in all areas of the socialist construction and by stepping up the advance of the eighties in a way that the Sohae Lockgate was built, must successfully attain the 10 long-range goals of socialist economic construction and further nourish the country's economic might.

At present, we must fulfill the people's economic plan for this year, the first year of the Third 7-Year Plan, ahead of schedule and accelerate the major construction projects such as the Suncheon vinalon complex and Kwangbok Street. By so doing, we will make a breakthrough in fulfilling the new long-range plan, greatly improve the people's standard of living, and change the appearance of the country even more drastically.

In implementing the far-reaching economic construction program put forth by the party, the youths are a powerful unit which plays a major role.

Our party has always treated the youths as the vanguard unit and shock brigade for socialist construction and expected the youths, their blood boiling, to take the lead with creative zeal in the struggle to carry out socialist economic construction.

All our youths should fulfill the high expectations of the party by performing shining feats in labor by actively participating in all the people's general march to fulfill the Third 7-Year Plan.

Reunifying the divided fatherland is the most urgent task facing all Korean people and youths today. Because of the U.S. imperialists' occupation of South Korea and the maneuvers for two Koreas sought by the domestic and foreign divisionists, there still laid a grave stumbling block on the road to the reunification of the fatherland, and the danger of the permanent national division grows each day.

All people and youths must struggle unyieldingly to implement our party's policy for the independent reunification of the fatherland with firm determination that, no matter what happens, they will achieve the reunification of the fatherland without fail during our era. [applause]

As was shown during the June anti-U.S. and antifascist popular resistance struggle waged throughout South Korea, the grudge and indignation that the South Korean people, youths, and students had against the U.S. imperialists and their stooges has reached an extreme point.

Under the banner of the anti-U.S. cause for independence and the antifascist cause for democracy, South Korean people from all walks of life, including youths and students, raised higher the flames of resistance against the U.S. imperialists and their stooges — the Chon Tu-hwan-No Tae-u clique — to eradicate the colonial fascist rule in South Korea, to realize the independence and democracy of society, and to achieve national reunification. They are waging a more persistent struggle to consolidate and expand the successes in the June anti-U.S. and antifascist popular resistance struggle.

As fellow countrymen inheriting the same blood, we extend warm compatriotic support and encouragement to the South Korean people, youths, and students carrying out the just, unyielding, and patriotic struggle for independence, democracy and reunification by courageously rejecting the cruel fascist suppression by the U.S. imperialists and the South Korean puppet clique and their various maneuvers of appeasement and deceit. [applause]

Today the United States and the South Korean authorities are more frantically running amok with the maneuvers of aggression and war against the northern half of the republic while cruelly suppressing the South Korean people's patriotic struggle for the independence and democratization of society. The United States and the South Korean authorities are talking outwardly about peace and relaxing tension; however, they have actually increased the modern armed forces in South Korea, including various nuclear weapons, to an enormous degree and traversed along the road of further strengthening such aggressive military exercises against us as the



"Team Spirit" joint military exercise. Because of this, the military confrontation between the North and the South has become extremely acute and the dark clouds of war hang heavily over the Korean peninsula.

Under such a grave situation, the government of the DPRK, in a statement issued on 23 July, put forward a new proposal for a mass, phased arms reduction to open a decisive aspect in easing tension in our country and expediting the peaceful reunification. It also declared that it will unilaterally cut 100,000 KPA troops by the end of the year as the initiative to open a practical breakthrough in arms reduction.

According to this, the supreme command of the KPA has taken a practical step to discharge 100,000 officers and men from various services and branches of the KPA by the end of this December and send them to socialist construction sites. This is another clear expression of the consistent and sincere efforts of our party and the government of the republic for peace in Korea and for its peaceful reunification and has evoked the unanimous support and agreement of all the peace-loving people of the world, not to mention our people.

If the Korean peninsula becomes a nuclear-free, peace zone and a buffer zone with the realization of our new, epochal arms reduction proposal designed to truly achieve peace and relaxation of tension on the Korean peninsula, the danger of war in our country will be eliminated forever and a firm path for the peaceful reunification will be opened, thus actively contributing to the cause of peace in Asia and the world.

The struggle for the reunification of our country is a difficult and complex struggle which must overcome various obstacles and difficulties. However, we will unite the strength of all the people based on the three principles for national reunification — independence, peaceful reunification, and great national unity — put forth by the great leader Comrade Kim Il-song and will force the U.S. imperialist aggressor forces to withdraw from South Korea by further strengthening the solidarity with the peace-loving forces of the entire world. Thus, we will achieve the cause of national reunification at any cost. [applause]

Upholding the banner of independence, friendship, and peace, all the people and youths should further strengthen the militant friendship and unity with the people and youths in the socialist countries and the nonaligned nations and with all progressive people and youths in the world and should check and frustrate the maneuvers of aggression and war of the imperialists, including the U.S. imperialists. Thus, they should tenaciously struggle to safeguard the peace on the Korean peninsula, in Asia, and in the world.

All of our youths should contribute to developing the world youth and student movement and to strengthening and developing the cause of global peace by magnificently ensuring the 13th World Youth and Student

Festival which will be held in Pyongyang, the capital of our country, in 1989 under the lofty ideal of anti-imperialist solidarity for peace as a large-scale international festival for unity and cohesion of the youths of the world who treasure justice and truth.

Comrades, our revolution, which traversed the path of victory and glory under the great leader Comrade Kim Il-song's leadership and which upholds the banner of the *chuche* idea while pioneering the era of *chuche* — the new era of history — has been constantly deepened and developed into a new higher stage. An even brighter prospect is laid before it. Deeply cherishing the national pride in carrying out the revolution by upholding the great leader Comrade Kim Il-song and under the party's leadership, all the party members and workers should vigorously advance for the new victory of the revolution and construction. Only greater victory and honor are laid before our people and youths who courageously advance under the wise leadership of the party and the leader, firmly trusting in the justness of their cause and following the banner of the party. Let us vigorously struggle and advance to expedite national reunification and the complete victory of socialism and to accomplish the *chuche* revolutionary cause in firm unity with the party Central Committee headed by the respected Comrade Kim Il-song. [applause]

**Commentary Denounces Arrest of Strikers**  
*SK020509 (Clandestine) Voice of National Salvation*  
*in Korean to South Korea 0200 GMT 1 Sep 87*

[Station commentary]

[Text] In this hour we will talk about the vicious maneuvers of the Chon Tu-hwan-No Tae-u group to completely obliterate our people's movement for democracy. The Chon Tu-hwan-No Tae-u group, which has openly used threats and blackmail to sternly cope with our workers' struggle for the rights to existence and for democratic freedom, branding it an illegal act under the manipulation of the leftist and procommunist forces, has finally put these threats and blackmail into effect with the funeral services for the late Yi Sok-kyu, a worker of the Daewoo shipbuilding yard, on 28 August as an occasion.

On 28 August when the funeral services for the late Yi Sok-kyu were held, the Chon Tu-hwan-No Tae-u group arrested 795 workers. Of them, the Chon Tu-hwan-No Tae-u group detained 63 and referred 90 to a summary trial. On 29 August it also raided the Pusan chapter office of the National Coalition for Democratic Constitution and illegally arrested six cadre members of the chapter office. On the same day, the Chon Tu-hwan-No Tae-u group also perpetrated the fascist for Missionary Work in Ulsan City, and Yi sok, a student leader of the Student Union for Democratic Constitution of Ulsan College, on the preposterous charge that they had manipulated behind the scenes worker-management disputes.

The Chon Tu-hwan-No Tae-u group has also arrested approximately 20 off-stage dissident figures, including Yi So-son, mother of the late Chon Tae-il [textile worker



who committed suicide], on the preposterous charge that they have manipulated behind the scenes the recent worker-management disputes. On 30 August, threatening to suppress the taxi drivers' struggle for labor rights, which is being expanded throughout the country, the Chon Tu-hwan-No Tae-u group perpetrated the fascist outrage of illegally arresting more than 60 taxi drivers.

The Chon Tu-hwan-No Tae-u group is clamoring that such steps are intended to eliminate the leftist and procommunist forces and to achieve genuine democratization. However, this is nothing but a preposterous excuse designed to justify the fascist outrage of the Chon Tu-hwan-No Tae-u group.

The fascist outrage that the Chon Tu-hwan-No Tae-u group is now frantically perpetrating is precisely a vicious act of suppressing the people in a bid not only to successively destroy the rapidly increasing labor and student movements in recent months by blocking and frustrating possible worker-student ties in the new school semester, but also to maintain and prolong the U.S. colonial and fascist dictatorial system by dampening the ever-increasing desire of our people for democratization.

As we know well, the struggle of workers for the rights to existence which has continued since the announcement of the so-called political measures of the Chon Tu-hwan-No Tae-u group has become more intensified with each passing day in defiance of all sorts of appeasement and suppression by the Chon Tu-hwan-No Tae-u group. Spurred by the massacre of Yi Sok-kyu, a worker of the Daewoo shipbuilding yard, the workers' struggle for the rights to existence has shown a sign of developing into an anti-U.S. and antidictatorial struggle. Accordingly, it is clear to everyone that the workers' struggle, when developed into an anti-U.S. and antidictatorial struggle, can be easily combined with the student movement which has been focused on the anti-U.S. and antidictatorial struggle. This will be indeed an alarming situation for the Chon Tu-hwan-No Tae-u group.

This is why the Chon Tu-hwan-No Tae-u group has begun again the fascist suppression of the people's movement for democratization, talking about nonexistent leftist and procommunist forces, under the judgment that without blocking worker-student ties the labor movement and the student movement cannot be destroyed, the desire of the people for democracy cannot be dampened, and, thus, its wild ambition for prolonging power cannot be realized.

However, as proven by the miserable fate of traitors Syngman Rhee and Pak Chong-hui, the reckless abuse of power to maintain power will result in only further fanning crisis in power.

The Chon Tu-hwan-No Tae-u group should keep in mind such a historic lesson, immediately stop the wholesale suppression of the movement for democracy, and step down from power as unanimously demanded by the people.

## South Korea

**No Tae-u, Kim Yong-sam Meet on 2 September**  
*SK020918 Seoul Domestic Service in Korean*  
0800 GMT 2 Sep 87

[Excerpt] DJP President No Tae-u and RDP President Kim Yong-sam held talks at 1500 today and discussed broad pending political issues, including the political timetable and the human rights issue. Reporter Kim In-kyu will report on the results of the talks.

[Begin Kim In-kyu recording] Today's talks between DJP President No Tae-u and RDP President Kim Yong-sam lasted about 2 hours and 40 minutes, beginning at 1500. In the talks, the two presidents have agreed, as a political timetable for the launch of a new government and for democratic development, that the constitutional revision bill agreed upon between the ruling and opposition parties will be proposed in the special National Assembly session scheduled for 10 September, that a national referendum will be held before the end of October after its passage in the National Assembly in early October, and that a presidential election will be held before 20 December.

The two presidents also agreed in the talks that the formulation of the new revised Constitution bill — the charter for democratic development — through agreement between the ruling and opposition parties for the first time in our constitutional history, conforms to the aspirations of all the people and pledged that they will faithfully carry out the remaining democratization steps.

They also agreed that the labor-management problems should be solved on the principle of autonomy between the parties concerned and that the ruling and opposition parties will make joint efforts to pass the law ensuring the three labor rights for the promotion of the workers' rights and interests through the National Assembly.

They also agreed that they will make joint efforts for the successful hosting of the historic Seoul Olympics and that the issue of revising the relevant laws connected with constitutional revision will be continuously dealt with by the eight-man political talks of both parties.

As to the timing for the general elections for the National Assembly, DJP President No Tae-u preferred holding the general elections so that a new National Assembly can be formed before the latter part of next February when the new government is to be launched, while RDP President Kim Yong-sam preferred holding the general elections within 2 months of the launch of the new government. Disagreeing on this issue, the two presidents agreed to discuss it at a later date. [passage omitted] [end recording]

## Reaction to DJP-RDP Constitution Compromise

### Kim Yong-sam on Revision

SK020051 Seoul THE KOREA TIMES in English  
2 Sep 87 p 2

[Text] Reunification Democratic Party president Kim Yong-sam yesterday attached historical meaning to the bipartisan production of a unified constitution.

It is the first time in the history of the Republic of Korea that rival political parties have produced a unified amendment bill through consensus and compromise, Kim said yesterday.

The opposition and the dissidents called for the revision of the constitution to allow for a direct election of the president for 15 years and many people were jailed and died in the course of calling for the re-writing of the constitution, he said.

"Now that the government and the opposition have agreed on an amendment to the constitution, nobody can resist the tide of democratization now sweeping Korea," the RDP president said.

"All our people and indeed the world has begun to have confidence in Korea's move toward democratization," he continued. "What we must do now is to establish a true democracy in Korea through election."

The opposition leader reiterated yesterday that it is desirable that the RDP choose its single presidential candidate as soon as possible.

"Even if the RDP should pick a candidate today, we have only three months for election campaign," he said.

### Continued Accord Urged

SK020025 Seoul THE KOREA TIMES in English  
2 Sep 87 p 8

[Editorial: "Bipartisan Accord on Revision"]

[Text] Just about two months after the government camp announced a sweeping democratization scheme and a month after the rival parties began their full-fledged negotiations, the ruling Democratic Justice Party and the main opposition Reunification Democratic Party worked out Monday a compromise draft for the projected constitutional amendment.

The success in the bipartisan talks, conducted by four "plenipotentiary" delegates from each party, is indeed outstanding as it marks the first major achievement in paving the way for a broad spectrum of democratic reforms — all the more so as the negotiations were conducted under the ominous shadow of persisting labor disputes and divergent demands from various pressure groups.

Also noteworthy is the fact that the compromise accord ironed out by the contending parties is the first of its kind in the nation's 39-year constitutional history which

has witnessed the rewriting of the basic law on no less than eight previous occasions.

The main highlight of the ongoing constitutional reform is the restoration of a presidential system of government with the chief executive to be elected by a direct popular vote instead of indirect vote as provided by the existing Constitution — a political issue over which the nation was engrossed in years of dispute.

However, according to the bipartisan accord, the future president's prerogatives will be somewhat curtailed as compared to the incumbent's, while the people's basic rights ranging from civil liberty to the freedom of the press are to be greatly enhanced.

Though the DJP-RDP joint panel failed to keep the Aug. 20 deadline it had initially set for completing the constitutional revision draft, the eight negotiators deserve commendation for their success — particularly for the productive manner of their negotiations in which they displayed mutual compromise and moderation in tackling more than 110 points of disagreement between the two parties.

To be noted in this connection is the pressure of time they faced in rewriting the supreme law due to the tight schedule of political events leading to a change of government by February next year and the prevailing fear that their work might be disturbed, if not jeopardized by student activism in the fall semester that opened yesterday at colleges and universities across the country.

The bipartisan accord is now referred to a National Assembly special committee which is charged with formalizing it as a legislative bill for parliamentary action and for the final adoption process by a national referendum, presently slated for mid-October.

But then, there are a number of intricate political issues that must be negotiated by the rival parties, including the revision of the presidential and parliamentary election laws which involve vital interests, in practical terms, of each of the parties.

It is earnestly hoped that the contending parties will continue to demonstrate in action their spirit of mutual accommodation and compromise in dealing with those and other pending issues. One crucial test case will be the meeting today between DJP president No Tae-u and RDP president Kim Yong-sam.

### Chief Negotiators Comment

SK020213 Seoul THE KOREA TIMES in English  
2 Sep 87 p 1

[Text] The chief negotiator of the majority Democratic Justice Party believes agreement on the single five-year presidential term as the most important breakthrough in the month-long negotiation for constitutional amendment which was completed Monday.

Rep. Kwon Ik-hyon, a party adviser, said in an interview, "I think that the misfortune in our constitutional history has resulted from the clause allowing presidents to seek re-election."

"In that aspect the inter-party agreement to maintain the single presidential tenure in the next constitution has great political significance," said Rep. Kwon.

The former DJP chairman recalled that the basic law of the Republic has been amended eight times and each amendment was an unilateral action by the ruling camp.

At the start of the inter-party negotiation on constitutional amendment in the eight-member panel on July 31, the ruling party and the major opposition Reunification Democratic Party were split on more than 115 items of the projected new constitution.

"We were able to reach an agreement on the amendment because both the ruling and major opposition parties came up with a flexible stance in the spirit of working out a great constitution for the future of the nation," said Kwon.

Asked which party he thinks has made more concessions in the negotiations, Rep. Kwon said, "Negotiation is the process of working out a better compromise version based on two different proposals. It is not important therefore to judge which side was victorious."

"From the outset, our party has come to the negotiating table with the best final proposal without offering anything just for bargain's sake," claimed the chief DJP negotiator.

Failing to narrow their differences over the suffrage age, the rival parties agreed to fix it in the election law rather than in the basic law. The ruling DJP stuck to 20 for voting age while the opposition RDP proposed lowering it to 18 and then 19.

"The projected new constitution left many points to be desired in respect to the people's hopes and desires for democratic reform and termination of dictatorship," said Rep. Yi Chung-chae, chief negotiator from the major opposition Reunification Democratic Party.

Rep. Yi Chung-chae partly ascribed the unsatisfactory results to the inflexible stance of the ruling party delegates.

He said, "The DJP delegates showed strong determination to win in the presidential election under the new constitution."

Rep. Yi highly evaluated the inclusion of a clause calling for the political neutrality of the military in the new basic law.

The clause reads: "The armed forces take it as their duty to carry out the sacred mission of national security and territorial defense. They also vow its political neutrality shall be observed."

"The expansion of the basic rights of the people along with the articulation of the political neutrality of the military are most significant," Said Rep. Yi.

He expressed his optimism about the prospects of the rival parties agreeing on the amendments to the related laws such as the presidential and parliamentary election laws.

But he expressed his regret over the DJP's refusal to accept the opposition suggestion for the installation of a "judge recommendation committee" designed to promote the independence of the judiciary.

Asked why the rival parties decided to fix the suffrage age in election laws rather than in the constitution, Yi explained, "By stipulating it in those laws instead of the constitution it will be easier in the future to lower the suffrage age."

"In accordance with social development and projected education reforms, it will soon become necessary to gradually lower the voting age."

#### Assembly Vote Due Mid-September

SK020233 Seoul THE KOREA TIMES in English  
2 Sep 87 p 1

[Text] A one-day extraordinary meeting of the National Assembly will be called on or about Sept. 11 for the initiation of amendment bill to the Constitution.

A senior Democratic Justice Party official said yesterday that his party would ask the opposition to join in the extraordinary session.

A 10-member subcommittee of the Assembly constitutional revision committee is now drafting the bill, based on the result of one-month-long negotiations between the ruling and main opposition parties.

After 10 days of public notice, the bill will be introduced to the regular parliamentary session to open on Sept. 20, together with amendments to four related laws.

Eight negotiators four each from the two rival parties, who achieved the historic bipartisan compromise on amendment Monday, are hammering out amendment drafts for the Presidential Election Law, National Referendum Law, Central Election Management Law and Parliamentary Election Law.

The Democratic Justice Party and the Reunification Democratic Party plan to have the bill passed at the regular session by early next month and refer it to a national referendum by the middle of October.

If all go as scheduled, a direct presidential election, the first in 16 years, will be held no later than Dec. 20.

In a meeting of ranking post-holders yesterday, the DJP set a tentative schedule to hold the referendum by Oct. 25 and the presidential election around Dec. 20, though the schedules "should be subject to interparty negotiations," the DJP official said.

No major differences have yet surfaced in the RDP side with regard to the political schedule except the timing of the parliamentary elections.



As to the parliamentary election date, the ruling party is weighing three options — simultaneous elections for the president and lawmakers, a two-month interval after the presidential election and polls after the Olympics to kick off in September.

But a general consensus of the DJP is to hold the elections in February.

In the RDP, president Kim Yong-sam favors the February elections shortly before the transfer of power, slated for Feb. 25, while advisor Kim Tae-chung insists on the elections in May after the change of government.

The political schedule will be a main topic for the first-ever formal talk between DJP president No Tae-u and the RDP's Kim Yong-sam today, along with the thorny issue of human rights, including the release of political prisoners.

Kim Yong-sam told reporters yesterday that he intends to fix the political timetable in his dialogue with No as the constitutional amendment deal has been finished.

Observers said the political leaders are expected to set the timing for parliamentary elections for sometime in February.

If they fail to set the date, the issue is likely to be deliberated on in an eight-member high-level panel during negotiations on the revision of the four election-related laws.

RDP president Kim has earlier said he prefers the presidential election to be held in late November or early December, and the general elections to be held shortly after the presidential election, in principle.

He, however, reiterates that general elections hopefully will be held in February to avoid the bitter cold December and January.

**Kim Yong-sam Urges Election by December**  
*OW020457 Tokyo KYODO in English 0452 GMT*  
**2 Sep 87**

[Text] Seoul, Sept. 2 KYODO — South Korean opposition leader Kim Yong-sam said Wednesday the main opposition Reunification Democratic Party favors holding a presidential election by December 10.

Kim said the RDP also would like to see a national referendum on constitutional revision held by October 10.

Ruling Democratic Justice Party leader No Tae-u intends to call the election in mid-December, DJP sources said.

No and Kim are scheduled to meet later Wednesday and are expected to agree on the date of the election.

**Hyundai Labor-Management Talks Deadlocked**  
*SK020055 Seoul THE KOREA TIMES in English*  
**2 Sep 87 p 3**

[Text] The labor union of Hyundai Heavy Industries Co. reportedly decided to stage a slowdown to protest against

the management failing to accept their terms over wage increases and improvement of working conditions.

Management and labor sides have held four rounds of talks but failed to strike an agreement as of yesterday.

The Labor Ministry late last month recommended the management of the Hyundai group and unions of the business conglomerate's subsidiaries resolve the dispute over wage hikes through negotiations by Sep. 1.

The shipbuilding giant with its shipyard based in the expanding industrial city of Ulsan, Hyundai Heavy Industries, a mainstay of the group, employs approximately 16,000 workers. The development of labor-management talks over the wage hike is believed to have a serious impact on the talks with the unions of other subsidiaries.

The fourth negotiations at the shipyard were driven to a deadlock when the two sides tried in vain to narrow differences in the basic monthly pay hike rate. The labor side insisted on a package wage increase by 40,000 won, while management stuck to a rise of 15,000 won, or 7 percent.

Management, however, reportedly showed its intention to offer a positive evaluation of the union's demand for increase in work allowances and bonuses, and scholarships for the children of the laborers.

The members of the executive council of the union, held a meeting yesterday morning in which the decision to hold a slow-down was reached.

The laborers were ordered to do work in an easy-going manner and to do nothing "specific" even though ordered by the firm.

Meanwhile, the labor and management at Hyundai Engineering Co. reached a 7-point agreement at 3 a.m. yesterday.

### **Strike Resumed**

*SK020859 Seoul YONHAP in English 0845 GMT*  
**2 Sep 87**

[Text] Ulsan, South Korea, Sept. 2 (YONHAP) — Workers at three Hyundai subsidiaries here in this southeastern coastal industrial city went back on strike Wednesday as labor-management negotiations held since August 28 produced no tangible results.

The three subsidiaries are Hyundai Heavy Industries Co., Hyundai Precision Machinery and Hyundai Mipo Dockyard. Hyundai is one of Korea's largest business groups.

Union and management representatives of Hyundai Heavy Industries Co. got together Wednesday morning for their sixth consecutive round of negotiations, but failed to narrow their differences on wage increases and fringe benefits.



Some 15,000 blue-collar workers of the company staged a general strike immediately after the rupture of the negotiations, demanding a 25-percent wage increase.

Company representatives said that the company is not in a position to raise wages by more than 11 percent, or 65,000 won (80.75 U.S. dollars one dollar is currently worth about 805 won) per worker monthly, including a family allowance and overtime pay.

An 11-percent increase would burden the company with more than 17 billion won (21.1 million dollars) annually, the company representatives said.

At about 1:50 p.m. Wednesday, with some 100 pieces of heavy equipment including bulldozers and cranes leading the way, the workers marched toward the city's center, protesting what they alleged was management's insincere attitude in the negotiations.

As the labor-management negotiations ruptured, some 300 workers of the Hyundai Precision Machinery Company staged a sit-in rally in front of the company's main office building, demanding a 32-percent wage increase compared with the 10-percent raise hike proposed by management.

At the request of management, negotiations are now under way at the precision machinery company.

At the Hyundai Mipo Dockyard, some 50 labor union representatives staged a sit-in rally in the dockyard's main office building, demanding a 32-percent wage increase. Despite the sit-in, however, some 2,700 workers remained at their work places.

The union representatives said that they would continue their sit-in rally indefinitely until management discards its proposal for a 10-percent raise and yields to their demand.

Ulsan houses 11 subsidiaries of the Hyundai business group, one of the primary movers behind Korea's economic growth.

Meanwhile, labor-management negotiations came to a successful conclusion at three other Hyundai subsidiaries. Representatives from both sides are about to sign agreements at two other Hyundai subsidiaries, while negotiations are under way at two other affiliated companies.

A labor union was organized Wednesday at Hyundai Motor Co., the other Hyundai subsidiary. Newly elected labor union representatives will soon begin negotiations with management.

The company is suffering from a partial suspension of operations, however, due to a shortage of parts and components from its part suppliers also involved in labor-management disputes. As a result, automobile production has dropped to 700 units per day, compared with the average daily production capacity of 2,500 units, a company official said.

Thousands of workers of the Hyundai shipbuilding company and other companies under the umbrella of the Hyundai group here staged rallies on August 17 and 18 against management's decision to temporarily suspend the operations of their companies, pending successful negotiations on new wage scales and fringe benefits.

The violent rallies ended with government arbitration on August 20 which set a deadline for wrapping up the labor-management negotiations by Sept. 1. Since then, labor union representatives have held a series of negotiations with management which have failed, though, to bring about an agreement.

The outcome of the negotiations at the heavy industries company, the largest Hyundai concern in this city, together with Hyundai Motor, is expected to have considerable impact on other companies, according to labor experts.

**Prime Minister Says Some Disputes 'Agitated'**  
*SK020239 Seoul THE KOREA TIMES in English*  
2 Sep 87 p 1

[Text] Prime Minister Kim Chong-yol said yesterday that some of the recent labor disputes have been agitated by leftists and that the government will crack down on groups seeking to block the upcoming elections.

The premier also said that the leftists were infiltrating into all levels of society.

He was addressing seven-member lawmakers from the main opposition Reunification Democratic Party, who visited the premier's office to protest against the government's recent tough action against dissidents and students.

Premier Kim also told the opposition members that the government would separate radical students from studious pupils to ensure stability of the campus and the society.

In an hour-long meeting with Premier Kim, the opposition lawmakers, led by RDP vice president No Song-hwan, said that the government is "hardening" the political situation by labelling students and dissidents as leftist-leaning elements.

The RDP delegation also expressed doubt that the ongoing government's hardline policy may be an excuse to crack down on dissidents and students.

The RDP lawmakers urged the prime minister to release all remaining political prisoners and to restore civil rights of dissidents and to stop search for political fugitives, to ensure reconciliation and harmony among the people and to implement the political timetable without hitch.

Premier Kim said that the government thinks that the prosecution and the court will release detainees, if they are still held in jail due to administrative mistake on the part of the government.

### **RDP Protests Hardline Policy**

*SK020109 Seoul THE KOREA TIMES in English  
2 Sep 87 p 2*

[Text] The main opposition Reunification Democratic Party issued a statement yesterday, expressing deep disappointment with the police arrest of 65 dissident figures and student activists in connection with the 20-day labor unrest in the Daewoo shipyard.

RDP spokesman Kim Tae-yong said yesterday that the police arrest of students and dissidents ran directly counter to the spirit of the sweeping political reform pledges made by ruling party head No Tae-u on June 29th.

He continued that the opposition cannot but criticize the government as it now seeks to put "moderate dissidents and students" behind bars at a time when the rival parties have just produced a joint constitutional amendment formula though compromise.

He noted that the arrests were made as labor disputes were on the road to full compromise and students were behaving in a moderate way, the RDP spokesman added.

The RDP statement warned that the massive crackdown will be harmful to the unity of the people and serve as a seed of political collapse. It also called on the government to set free all remaining political prisoners, stop searches for political fugitives and restore the civil rights of dissidents.

In addition to issuing the statement, the RDP sent a seven-member delegation to Home Minister Chong Kwan-yong Monday and to Prime Minister Kim Chong-yol yesterday to protest against the government's hardline policy toward the dissidents and students.

Prime Minister Kim Chong-yol issued a special statement early last week warning that the government would take strong measures against the "leftist-leaning elements" who are trying to foment labor unrest and to topple the liberal democracy system.

### **Students Plan To Continue Protest Rallies**

*SK020041 Seoul THE KOREA TIMES in English  
2 Sep 87 p 3*

[Text] Students of Seoul National University [SNU], Yonsei University and Ewha Woman's University staged a united rally demanding the release of the presidents of student councils at their schools at SNU.

Around the campus at SNU, posters and placards were displayed calling for students' participation in the campaign to boycott term exams and urging them to continue anti-government struggle in the second semester.

The SNU administration continues receiving applications from expelled students seeking reinstatement until Sept. 7.

Readmissions will be decided through successive deliberations at a department professors' meeting, sub-college meeting, and meeting of college deans which will grant final approval.

Classes resumed after the long summer recess at 58 universities and colleges across the nation yesterday. Thirty institutions of higher learning had started second semester the previous day.

At Seoul National University, some students boycotted term exams postponed from first semester. Other students at the school and at other major universities planned a united rally demanding the release of their student leaders.

About 1,500 freshmen of Seoul National University Monday resolved to refuse to take term exams which were supposed to start yesterday. The university seeks to run the term exams for the four days till Friday.

Posters and placards at Yonsei University carried articles on Yonsei University student council leader U Sang-ho.

### **Rally Held on Term's 1st Day**

*SK011211 Seoul YONHAP in English 1206 GMT  
1 Sep 87*

[Text] Seoul, Sept. 1 (YONHAP) — About 1,000 students from Seoul universities Tuesday staged an anti-government demonstrations at Seoul National University campus on the first day of fall semester.

The demonstrators were part of about 3,500 students who attended a rally held in a protest against what they called suppression against patriotic and democratic movement.

Following the rally, the student activists tried to take to the streets, chanting slogans, including down with military dictatorship.

They hurled stones and Molotov cocktails at police who replied with tear gas. Riot police forced the protestors to be driven back to the school campus and dispersed.

Meanwhile, almost 9,100 university and college students held rallies or conducted demonstrations across the nation.

### **Delegation Going to Group of 77 Meeting**

*SK020116 Seoul YONHAP in English 0105 GMT  
2 Sep 87*

[Text] Seoul, Sept. 2 (YONHAP) — South Korea will dispatch a five-member delegation Wednesday to the sixth meeting of the inter-governmental follow-up and coordination committee of the Group of 77, scheduled for Sept. 7-12 in Havana, Cuba.

The Foreign Ministry Wednesday reported that the delegation will be headed by Ho Sung, director-general of the International Economic Affairs Bureau at the ministry.

The 127 member countries of the Group of 77 hold the meeting every year to boost economic cooperation among developing countries.

The first such meeting was held in Manila, the Philippines, in 1982.

In the Havana meeting, the participants will review their performance over the past six years in implementing the Caracas program of action adopted at the meeting on economic cooperation among developing countries held in Caracas, Venezuela, in 1981.

The program includes a global system of trade preferences among developing countries, which encourages them to lower tariff rates in their reciprocal trade, the ministry said.

Also during the Havana meeting, the participants will map out their future economic cooperation, according to the ministry.

Foreign Ministry officials said, the government will actively participate in cooperation projects among developing countries to promote South-South cooperation, making efforts to step up mutual cooperative ties with the Group of 77 member countries, especially with non-aligned developing nations.

**Labor Minister Conference Meets in Seoul**  
*SK010207 Seoul YONHAP in English 0118 GMT*  
1 Sep 87

[Text] Seoul, Sept. 1 (YONHAP) — Some 140 labor ministers and other representatives from 28 countries Tuesday opened the 11th Conference of Asian and Pacific Labor Ministers.

High on the agenda are employment issues and international labor organization activities in the region.

Among the participants of the four-day conference hosted by the Korean Labor Ministry are top labor officials from Australia, Saudi Arabia, Iran, Iraq and

Singapore and the deputy director-general of the International Labor Organization, S.K. Jain.

In a congratulatory address at the opening ceremony, Korean Prime Minister Kim Chong-yol said that labor disputes, which have erupted in many Korean factories and other work places are heavily straining Korea's industry, but can be regarded as an inevitable transitional phenomenon accompanying industrialization.

The government, however, is endeavoring to convert the current labor unrest into an opportunity to advance to an even higher level of maturity so that the benefits of economic growth will be more equitably shared by all segments of society, the prime minister said. Even greater attention will be paid in particular to furthering the rights and welfare of workers.

In his keynote speech, Korean Labor Minister Yi Hon-ki said that the uncertainty facing the world economy is growing nowadays due to the protectionist sentiment among the developed nations, the rapid changes in exchange rates and the fluctuation in the prices of primary products.

Such changes in the international economic environment, he went on to say, have worked against employment expansion and income growth not only in the developed countries but also in many developing countries which seek their economic development through external trade promotion.

All of us Asia-Pacific nations should participate more actively in building a new world economic order through mutual understanding and common efforts, the minister added.

The participants are expected to issue a joint statement after completing discussions of the agenda topics.



## Burma

### Reportage on Recent Insurgent Activities

#### Spring Attacks

*BK291415 Rangoon Domestic Service in Burmese  
1330 GMT 29 Aug 87*

[Text] While the national people are working with might and main under the leadership of the Burma Socialist Program Party to perpetuate the state and to build a prosperous socialist society, subversive insurgents, who do not wish to see the state and the people progress, have been resorting to all means to carry out their obstructive and destructive work.

On 12 March 1987 a KIA [Kachin Independence Army] unit raided a village cooperative shop in Sakangyi village in Waingmaw Township and looted 8,700 kyat worth of textiles, medicines, medical supplies, school textbooks, and consumers goods. On 23 March an insurgent mine attack on the rail track near Myothitkale village in Mohnyin Township destroyed 1 foot of railway line.

On 29 May a KIA insurgent unit raided Madein Village in Waingmaw Township and burned down four houses and a granary. Two villagers were wounded by insurgent fire. On the same day, another unit burned down a primary school in (Konlun) in Momaik Township and killed two villagers when they opened fire.

On 12 June KIA insurgents bombed (Einya) Ward in Myitkyina, slightly damaging the No 1 Basic Education High School. The mine attack destroyed 2 other buildings and injured 16 persons.

#### Spring, Summer Attacks

*BK301439 Rangoon Domestic Service in Burmese  
1330 GMT 30 Aug 87*

[Text] While the national people are working with might and main under the leadership of the Burma Socialist Program Party to perpetuate the state and to build a prosperous socialist society, subversive insurgents, who do not wish to see the state and the people progress, have been resorting to all means to carry out their obstructive and destructive work.

On 13 June 1987, the insurgent KIA [Kachin Independence Army] group headed by (La No) crossed the Nam Hkung Stream in Myitkyina Township, and looted rice, cash, and goods. The group fired on Tatkon village, killing a villager.

The KIA insurgents, using mines, blew up the rail line near Ho-hpai on 28 June, the Nampin Bridge in Momaik Township on 28 June and 4 July, the rail line near (Pyidaung) in (Nambung) Village Tract of Myitkyina Township on 1 July, the (Mesa) suspension bridge in Waingmaw Township on 23 July, and the new (Tong-hong) suspension bridge in Mansi Township on 8 August. The suspension bridges were destroyed while the ordinary bridge and the rail lines were partly damaged.

On 28 April, the (Pangun) Naga insurgent group armed with light weapons killed two farmers when they raided (Sinthe) village in Hkamti Township. On 20 June, a Naga insurgent unit raided (Law Tawngshawng) village in Lahe Township and set fire to eight houses.

On 8 August, two villagers were killed and four others wounded in a grenade and small arms attack mounted by a KIA unit on Sadon Village in Waingmaw Township.

#### Karen National Union Attack

*BK011547 Rangoon Domestic Service in Burmese  
1330 GMT 1 Sep 87*

[Text] In the jurisdiction of the Southeast Military Command, a column of the frontline 44th Light Infantry Division attacked the Melamu-chaungzon sawmill camp, Mawpokay region in Hlaingbwe Township, through which the [Karen National Union] insurgents were smuggling out timber. The sawmill camp was captured on 12 August 1987 after a clash with about 20 insurgents.

The insurgents fled eastward crossing the Thaungyin River.

There were no casualties on our side. Captured from the insurgents were 4 12-hp Nissan engines used for sawing timber, 4 big power generators, 2 small power generators, 2 planing machines, 1 6-wheel timber truck, 2 circular saws, about 400 teak logs, about 10,000 planks, and 30 huts.

#### Current Agricultural Situation Reported

##### 1986-87 Production

*BK010804 Rangoon THE WORKING PEOPLE'S  
DAILY in English 23 Aug 87 p 4*

[Editorial: "Boosting Agricultural Production"]

[Text] Agriculture is the mainstay of our economy supplying us with our food and clothing needs, feeding our agro-based industries with raw materials and earning foreign exchange from exports.

The State has been according top priority to the agricultural sector in the establishment of a socialist economy and it is necessary for us to be able to boost agricultural production.

The Burma Socialist Programme Party has laid down a directive calling for the participation of the people in agricultural activities as a mass movement as part of the measures to meet this end. Members of the Central-level Paddy High-yield Cultivation Supervision Committees and Work Support Committees tour regions concerned from time to time to inspect the progress of work made in paddy cultivation work and hold discussions with the local farmers.

The over-all cultivated acreage in the country stood at 25.69 million acres, in 1986-87 up 30,000 acres against 25.66 million in the previous year. The average per-acre



yield of paddy was 56.21 baskets [1 basket equals about 21 kg] in 1986-87 and there were increases in per-acre yield of crops such as wheat, matpe [all Burmese name crops are varieties of beans or pulses], pedisein, butter beans, gram, sadawbe, sunflower, cotton and jute.

The total output of paddy in 1986-87 was 15.22 million metric tons, up about 0.9 million metric ton from the previous year. The aggregate production of crops such as wheat, matpe, pedisein, French beans, gram, groundnut and sunflower also increased that year.

Foreign exchange earnings from agricultural sector represented, according to provincial figures k 1,225.4 million, which accounted for 42.0 per cent of total foreign exchange earnings.

The State has been making more and more investments in agricultural sector from year to year with a view to boosting agricultural production. More and more fallow and virgin land is reclaimed, new dams and canals constructed, more embankments built and more drainage ditches dug every year. Research work is being carried out to improve our cultivation methods with the application of modern scientific techniques and to obtain quality seeds.

Farmers should make greater efforts to boost agricultural production with the realization that in so doing they are not only helping themselves but also fulfilling their obligation to the State and the people.

#### **Crop Restrictions Lifted**

*BK011413 Rangoon Domestic Service in Burmese  
1330 GMT 1 Sep 87*

["Order No 6-87 of the Council of Ministers of the Socialist Republic of the Union of Burma issued on 1 September 1987"]

[Text] 1. Restrictions imposed on paddy, maize, mung beans, pedisein beans, butter beans, Sultani, Sultan Pya, Pesingon, and Peyin [all Burmese name crops are varieties of beans and pulses] under Orders No 10 and 11 of the Trade Ministry of 27 September 1966 have been lifted with effect from the date of issue of this order.

2. Beginning with the 1987 crop production season, all citizens are domestically permitted to buy, transport, store, sell, and transfer the said crops in original form or in milled and improved form.

3. Registration must be made in accordance with the provisions of the Private Enterprises Law to trade in these unrestricted crops.

4. Peasants who cultivate crops according to projects shall settle their regular land tax in the form of crops instead of in cash in accordance with the rates prescribed for projected crops.

5. Peasants who cultivate ordinary crops, rather than projected crops, shall settle their regular land tax, not in cash, but in the form of projected crops, such as paddy,

wheat, maize, beans and pulses, sesame, groundnut, cotton, and mill sugarcane in accordance with the rates prescribed.

6. Rates according to which crops must be settled as mentioned in Sections No 4 and 5 shall be announced separately in later notifications.

#### **Rice Sent to Kachin, Shan**

*BK010658 Rangoon LOKTHA PYEITHU NEZIN  
in Burmese 21 Aug 87 p 1*

[Text] Mandalay, 20 Aug — Six rail wagons from Pegu carrying 186 tonnes of rice for consumption by the working people in Kachin State arrived at Myohaung Railways Station, Mandalay, this morning. Another eight large-capacity rail carriages and one small one with 165 tonnes of rice for distribution to the townships in northern Shan State also arrived at Myohaung Station.

The rice parcels are sent to the warehouses of the Transit Division of the Agricultural and Farm Produce Trade Corporation in Myohaung where Manager U Hla Maung is receiving them. Members of Township Transport Supervisory Committee waiting at the warehouses then load the rice on to motor vehicles for shipment to the townships in northern Shan State.

It is learned that between 1 and 19 August, 3,924 tonnes of rice in 178 wagons arrived at the Myohaung Transit Division and have been sent in motor vehicles to the townships in northern Shan State.

#### **Delta Rice Arrives**

*BK010936 Rangoon WORKING PEOPLE'S DAILY  
in English 22 Aug 87 p 8*

[Text] Myingyan, 19 Aug — Rice and paddy sold by Taikkyi Township, Rangoon Division; Yedashe Township, Pegu Division; and Dedaye Township, Irrawaddy Division for the working people of Myingyan Township, Mandalay Division, are arriving here in cars and in boats daily. Over 900 bags of rice and over 9,000 bags of paddy arrived at the Myingyan Jetty in an Inland Water Transport Corporation vessel on 18 August.

Altogether 143,691 baskets of paddy, 33,542 bags of rice and 429 bags of broken rice have arrived at Myingyan till today and they are being distributed to the Myoma wards and villages.

#### **Rice Sent to Mandalay**

*BK010958 Rangoon WORKING PEOPLE'S DAILY  
in English 25 Aug 87 p 8*

[Text] Pegu 22 Aug — Under the arrangement made for sending rice to the states and divisions from rice producing areas, a consignment of 450 tons of rice to be sent to Tatkon Township, Mandalay Division, arrived at the station here yesterday by trucks from Zigon Township.

Out of 750 tons of rice to be distributed to consumers in Tatkon Township, the first consignment was sent by four wagons the same day.

## **Cambodia**

### **Vice Foreign Ministers Issue Communiqué** *OW011643 Hanoi VNA in English 1520 GMT 1 Sep 87*

[Text] Hanoi VNA September 1 — The following communiqué has been issued in Phnom Penh:

On the 12th and 13th August 1987, a consultative meeting was held among vice foreign ministers of the three Indochinese countries representing the Ministries of Foreign Affairs of the Socialist Republic of Vietnam, the People's Republic of Kampuchea and the Lao People's Democratic Republic.

1. At the talks the Vietnamese vice foreign minister informed his Kampuchean and Lao counterparts of the results of the talks held on 27-29 July 1987 between Foreign Minister Nguyen Co Thach and Indonesian Foreign Minister Prof Dr Mokhtar Kusumaatmaja.

The Kampuchean and Lao sides welcomed the results of the above-said talks and regarded them as a step forward in finding a political solution to the Kampuchean problem, thus contributing to the strengthening of peace in Southeast Asia.

2. The Vietnamese side briefed on Indonesia's idea of holding a "cocktail party" in Jakarta with an understanding that an informal meeting of the two sides of Kampuchea be held on the basis of equal footing, without preconditions and with no political label, to which at the later stage Indonesia will invite other concerned countries to participate.

The People's Republic of Kampuchea expressed its readiness to participate in such a meeting. The Vietnamese and Lao sides welcomed the People's Republic of Kampuchea's good-will position and stood ready to participate along with other concerned countries in this "cocktail party" at its later stage.

3. The People's Republic of Kampuchea and Lao People's Democratic Republic welcomed the reconvening of the working group between Vietnam and Indonesia to discuss the problems of Kampuchea simultaneously with other problems of Southeast Asia. If the composition of this working group is extended to other ASEAN countries, the three Indochinese countries will designate the Lao People's Democratic Republic, in addition, to participate.

The three sides unanimously held that the discussion of [the] problem of Kampuchea together with other problems of Southeast Asia between the Indochinese countries and ASEAN countries is in accordance with the spirit of the resolutions, issued at the 7th and 8th summit conferences of the Nonaligned Movement, thus ensuring lasting peace and stability for all countries in this region.

4. On Indonesia's suggestion that observers of certain countries be invited at the forthcoming partial withdrawal of Vietnamese volunteers, the People's Republic

of Kampuchea and the Socialist Republic of Vietnam exchanged views and agreed in principle on the presence of such observers including those from the Republic of Indonesia. The Lao People's Democratic Republic fully supported this decision of the Kampuchean and Vietnamese sides.

5. The situation is developing in a manner favourable to finding a political solution to the problem of Kampuchea and that of peace and stability in Southeast Asia. The People's Republic of Kampuchea, the Lao People's Democratic Republic and the Socialist Republic of Vietnam will do their utmost for the above-mentioned agreements to be effectively implemented and are of the desire that all countries make positive contribution to promoting dialogue towards a correct political solution to the problem of Kampuchea and turning Southeast Asia into a zone of peace, stability, friendship and cooperation.

### **Kong Korm, Delegation Leave for Ethiopia** *BK011236 Phnom Penh SPK in English 1142 GMT 1 Sep 87*

[Text] Phnom Penh SPK September 1 — A Kampuchean party and government delegation led by Kong Korm, member of the People's Revolutionary Party of Kampuchea Central Committee and foreign minister of the People's Republic of Kampuchea, left here Tuesday morning for an official friendship visit to the Socialist Ethiopia.

The delegation was seen off at Pochentong Airport by Thong Khon, candidate member of the party Central Committee and mayor of the Phnom Penh City; Prach Sun, vice president of the party Commission for External Relations, and other Kampuchean officials.

Soviet Ambassador Yuriy Razdukhov and Vietnamese counsellor Nguyen Anh Kieu were also present.

### **Editorial Acclaims Reconciliation Policy** *BK310956 Phnom Penh SPK in French 0427 GMT 29 Aug 87*

[Text] Phnom Penh, 29 Aug (SPK) — The National Reconciliation Policy of the PRK once again shows the latter's goodwill to solve all existing problems in the region, including the Cambodian conflict.

This was written by *Pracheachon (People)*, central organ of the KPRP in its editorial dedicated to Cambodia's policy of national reconciliation. The journal went on to call it a humanitarian, sincere policy intended to rally all Cambodians at home as well as abroad to build an independent, peaceful, and nonaligned Cambodia having good relations with neighboring countries, thus contributing to the effort for peace, stability, and cooperation in the region.

The Cambodian people fully endorse this policy and pledge to enthusiastically emulate each other in implementing the resolutions of the Fifth KPRP Congress and

in constantly consolidating the national union and international solidarity. At the same time, they are determined to frustrate all attempts to take advantage of this policy to revive under whatever form the genocidal Pol Pot regime. The so-called "Coalition Government of Democratic Kampuchea" is merely used as a smoke-screen for the Pol Potist hangmen whose survival depends on the assistance of certain international reactionary forces. The PRK is the sole authentic representative of the Cambodian people in all international authorities.

In conclusion, the journal appealed to all Cambodians at home and abroad to actively participate in the process of national reconciliation so as to bring genuine peace and stability to the country.

**Son Sann Speaks at PRC Embassy in Bangkok**  
*BK310345 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 30 Aug 87*

[Text] Tang Fuquan, charge d'affaires of the PRC Embassy in Thailand, hosted a reception on 27 August in Bangkok in honor of DK leaders before the DK delegation's visit to China.

On this occasion, His Excellency Son Sann, CGDK prime minister, said the continued struggle of the Cambodian people will prevent the Vietnamese from occupying Cambodia forever. This year, the general situation is in favor of the struggle of the Cambodian nation and people. He stressed that the Vietnamese aggressors are facing serious economic problems and pressure from the international community. In such a situation, the Cambodian people should intensify the struggle against the Vietnamese aggressors to force them to pull out all their forces from Cambodia. He expressed the conviction that with the support from China and the international community, Vietnam cannot occupy Cambodia forever.

Tang Fuquan said Vietnam's aggressive and expansionist policy against neighboring countries is the root cause of the Cambodian problem. He pointed out that China firmly and constantly supports the Cambodian people's struggle against the Vietnamese aggressors until all Vietnamese forces are withdrawn from Cambodia.

**PRC's Li Xiannian Cited on Support for CGDK**  
*BK020521 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 1 Sep 87*

[Text] On 30 August in Beijing, Chinese President Li Xiannian held cordial talks with DK President Samdech Norodom Sihanouk, Prime Minister Son Sann, and Vice President Khieu Samphan.

On this occasion, Li Xiannian reiterated that the Chinese Government and people firmly support the Cambodian people's current struggle against the Vietnamese aggressors and will continue to support Samdech Norodom Sihanouk as head of the Cambodian Government following Cambodia's victory. He said in the past few years, the Cambodian people have conducted well their struggle against the Vietnamese.

He told the DK delegation that China supports a political solution to the Cambodian problem and firmly supports the CGDK's eight-point peace proposal. He further said the key to the solution to the Cambodian problem rests on the withdrawal of all Vietnamese aggressor forces from Cambodia. Vietnam is the aggressor and therefore has no right to impose any conditions on a political solution to the Cambodian problem. If Vietnam refuses to pull out its aggressor forces from Cambodia, the Cambodian people should continue to fight against the Vietnamese aggressors.

Samdech Norodom Sihanouk expressed gratitude to the Chinese Government for warmly welcoming the DK delegation and providing effective assistance to the Cambodian people in their struggle for national salvation against the Vietnamese aggressors. The samdech stressed that Cambodian resistance forces will continue to fight against the Vietnamese aggressors until Cambodia recovers its independence.

**VOK Interviews Son Sann 27 August**  
*BK301255 (Clandestine) Voice of the Khmer in Cambodian 1300 GMT 29 Aug 87*

[Unidentified station correspondent's 27 August Interview with Son Sann, prime minister of the CGDK and chairman of the KPNLF — recorded]

[Excerpts] [Unidentified correspondent] I am the correspondent of the Voice of the Khmer. My respects to His Excellency Son Sann, prime minister of the CGDK and chairman of the KPNLF. Please, permit me to ask you the following questions for transmission over the Voice of the Khmer.

My first question: Vietnam rejected the ASEAN proposal that Vietnam should immediately join the informal meeting to solve the Cambodian conflict following an informal meeting of all Cambodian factions. What is your opinion on the search for a Cambodian solution following this incident?

[Son Sann] Personally speaking, I deeply regret that Vietnam has refused to agree to the request of the six ASEAN countries, for the settlement of the Cambodian question is very significant to ASEAN. It does not mean anything if everybody in Southeast Asia just says he wants peace, happiness, and freedom. To have peace and security in Southeast Asia, there must first be peace and security in Cambodia. Moreover, Vietnam itself wants good relations with the six ASEAN nations, and so do the United States, great China, and all other countries. For this reason, I regret that ASEAN's call for a cocktail party to settle the Cambodian problem — a very correct move — was rejected by Vietnam to general disappointment. However, to me what is important is that for the past few years our Cambodian people have suffered all kinds of misery. It would be wonderful to find a formula to end the misery and suffering of our people in the country. Therefore, it is a sad moment for me that ASEAN, which has helped us for years since 1979, had



failed in its effort to help us. However, to my knowledge, ASEAN will continue to hold meetings to find a formula that would make Vietnam come to the negotiating table to solve the Cambodian problem.

As far as I am concerned, I see no other alternative beside the unconditional cocktail party. It is correct to set no preconditions for Vietnam, together with Heng Samrin to come and meet with the three parties of the coalition government. It would be a meeting on an equal footing. There seems to be nothing that calls for rejection. It would be a meeting of all Cambodians. Mr Heng Samrin is a Cambodian and all of us are Cambodians. What is the problem to be solved? It is Vietnamese troop withdrawal. All right, if it is about Vietnamese troop withdrawal, then we must also talk to the Vietnamese. In the past, we did not accept such a formula. But now we agree that Vietnam can come out to the talks together with Heng Samrin. This means that we have done our utmost to agree with the Vietnamese on their own terms.

What I have left now is the resolutions of the United Nations and the CGDK's eight-point proposal. Let me tell you that the United Nations has voted on eight occasions already for negotiations on the withdrawal of Vietnamese troops to allow the Cambodian people to decide their own destiny. This is a general consensus that almost all members of the United Nations have accepted. If Vietnam also agreed to it, then it would have been a solution. If not, what remains is the eight-point proposal of our tripartite coalition government. And let me stress that should Vietnam agree to negotiate on the basis of this eight-point proposal, I promise that we would examine everything worth discussing.

[Correspondent] Thank you, sir. Another question is that I have learned that Your Excellency is going to visit Beijing at the end of this month. What do you expect to achieve out of this visit?

[Son Sann] As I told you, what is important to me is to find a way to end the suffering of our people, our compatriots in Cambodia. Therefore, my visit to Beijing is to meet with the leaders of great China, with Samdech Norodom Sihanouk, and with Khieu Samphan, that is to discuss with the leaders of the tripartite coalition government means to return peace to Cambodia as soon as possible.

[Correspondent] On the other hand, to what extent do you expect to win support during the forthcoming UN General Assembly?

[Son Sann] My observation since 1979 is that every year the ASEAN countries have put forth a draft resolution for UN adoption. Since 1979, this resolution has won support with a steadily growing number of votes. I believe that this is because the resolutions have been very well drafted. [passage omitted]

I don't foresee any change. The United Nations will support it again.

[Correspondent] In conclusion, do you have anything to convey through the Voice of the Khmer to the Cambodian people prior to your visit, your overseas mission in China.

[Son Sann] As I told you, my visit to Beijing is to discuss with the leaders of great China, and first of all with Samdech Norodom Sihanouk and Khieu Samphan, who are leaders of the coalition government, ways to settle the Cambodian conflict. At the same time, I always seek to solve other problems that affect our compatriots in Cambodia. Wherever I go, I always seek international assistance. I always ask foreign countries to give us material and financial aid for our future national reconstruction. I always set my sights for the future. And as I just said, I am concerned by the suffering of our compatriots at home. I seek the shortest way to end this suffering. I have learned that there is not enough rainfall in Cambodia and that the drought has caused damage to the rice crops. There will soon be a food shortage. For this reason, I am thinking hard of ways to bring help. It is my opinion that if I talk to the humanitarian organizations which are helping us at the border, they will surely help us. But how will we bring the relief to our people in Cambodia? As you see, the Vietnamese aggressors have dug canals, planted mines, and erected fences everywhere along the border. How can we bring the goods into the country? How can the brothers inside the country come out with their ox carts and bring back the food and medicine? Who is blocking this process? It is the Vietnamese themselves, who profess to come to the rescue of the Cambodian people. If they really want to help the Cambodian brothers, they should allow them to come and take the relief, for I am going to ask the humanitarian organizations to send food to the border.

I will therefore appeal to all countries that I have visited and will visit to help our compatriots at home because we have learned that they are short of rice, water, and food. I will help bring aid to our people in Cambodia in all localities, be it in Phnom Penh, Battambang, Prey Veng, and so on. I have no other motive than to help our Cambodians out of their suffering. This is all I wish nowadays. I beg those inside Cambodia to understand my wish, which is to end the suffering of the Cambodians. Samdech Sihanouk also has declared that he too loves the Cambodian nation. Therefore, all of us should agree to end the misery and the suffering by ending the fighting, suspending the war, and starting to negotiate. Now that we anticipate difficulties because of a food shortage, I will appeal for help from foreign countries. Those in Phnom Penh should understand me. You are Cambodians; I am Cambodian, too. If we all think that we are all Cambodians we will succeed in solving the Cambodian question soon.

[Correspondent] Do you have anything more to say to the people?

[Son Sann] I beg all Cambodian brothers in Cambodia as well as Kampuchean Kraom [former Cambodian territory incorporated by Vietnam] never to lose hope, for

you have suffered for too long now. The Gods in heaven should be aware of this. According to the teaching of the Lord Buddha, nothing is permanent in this world. Everything has its end. Thus the end of your misery will come one day. I pray that the end to this misery comes soon. I pray that you have sufficient food, and I hope that all of us will help rebuild our prosperity and bring back freedom, human rights, and happiness. [passage omitted]

### **Radio Rejects 'Vietnamese-Style' Peace**

BK311245 (Clandestine) Voice of the Khmer  
in Cambodian 0500 GMT 31 Aug 87

[Political commentary: "Why Is There Still No Peace in Cambodia?"]

[Text] The title of our commentary today is that of a question Vietnam has ordered the Heng Samrin propaganda group to raise before the Cambodian people in order to put the blame for the ongoing war on the Cambodian resistance and thereby insinuate that once the Cambodian resistance fighters are eliminated, Cambodia can certainly return to peace. We would like to address this question here and find out the real cause that has prevented Cambodia from enjoying peace. Before giving a straightforward answer to this question, we would like to stress that the war in Cambodia from 1970-75 was one thing and the situation in Cambodia from 1975-79 was yet another thing. Although in these two instances, there was both direct and indirect intervention of the Vietnamese communists, our feature is too short to fully cover this matter. However, the war in Cambodia from 1979 to the present is a story that is most easy to understand and that needs no extensive interpretation.

Vietnam has claimed that when there are no more Cambodian resistance fighters, the war in Cambodia will end and peace will return to Cambodia. This Vietnamese assertion may well be true, for without Cambodian resistance fighters Vietnam would be able to rule over Cambodia with ease. But this ease is only for the Hanoi authorities; it would be peace Hanoi style. On the other hand, the Cambodians would lose everything that is theirs: They would lose their independence, dignity, prestige, and honor; Cambodia would become a state within the Indochinese federation with Vietnam as the boss, or would simply be transformed into a Vietnamese province; the Cambodians would become a minority in Vietnam and the Cambodian mores and customs would be replaced by Vietnamese mores and customs a la communist Ho Chi Minh; Cambodia's Angkor Wat would be converted into a Vietnamese pagoda; and finally, Vietnam would become the communist overlord in the Cambodian homeland.

We Cambodians have absolutely no desire for such a Vietnamese-style peace. The peace that the Cambodians want brought into Cambodia is a peace with the Cambodians as the masters of their country, a peace in which Cambodia remains independent and the Cambodian

citizens enjoy full rights as Cambodians having Cambodian mores and customs, Cambodian culture and civilization, a peace in which Cambodia does not have to endure the presence of noisy Vietnamese residents all over Tonle Sap Lake, all over the cities, and at every important economic center of Cambodia, and so on. It is absolutely correct that Cambodia cannot have peace so long as there are Cambodian resistance fighters. But, let us ask the Vietnamese whether they really think that the Cambodians are stupid and foolish enough to stay put and let the Vietnamese do whatever they please on the Cambodian homeland. The Cambodians will never stop fighting so long as there is a single communist Vietnamese soldier in their country. The Cambodians will never lay down their arms before Cambodia becomes independent again. The Cambodians will absolutely not stop fighting if Vietnam continues to nurture the intention of exterminating the Cambodian race by deploying Vietnamese soldiers as well as civilians throughout Cambodia.

What really prevents Cambodia from having peace is Vietnam's desire to be the boss of Cambodia. The Cambodian people's struggle against the Vietnamese does not mean that the Cambodians are the ones who have kindled the flames of war to destroy their own peace and happiness. This struggle is an obligation that all Cambodian children must fulfill in order to liberate Cambodia from the Vietnamese.

Vietnam can annex Cambodia only when there are no more Cambodians in the world. The Cambodians are going to fight the Vietnamese aggressors to the last man. They refuse to let the Vietnamese hypnotize them into sleep and into forgetting all about the interests of the Cambodian nation.

### **Laos**

#### **Paper Comments on ASEAN Communique**

##### **Urges Adherence to Agreement**

BK301136 Vientiane Domestic Service in Lao  
0000 GMT 25 Aug 87

[Pasason "article": "Promise Mutually Agreed Upon Should Be Respected" — date not given]

[Text] The foreign ministers of the ASEAN member countries issued a communique following their unofficial meeting in Bangkok, Thailand, on 16 August. The communique, which consisted of five points, once again clearly points out that a certain country in the ASEAN group does not want to see the Cambodian or regional problems settled by peaceful means. It only wants to create and maintain a tense situation in various areas, a situation which will only lead to the sabotage of peace and stability in Southeast Asia. As is known to all in the region, an agreement was reached between Vietnam and Indonesia following the visit to Vietnam by Indonesian Foreign Minister Mokhtar Kusumaatmaja on 27-29 July. This agreement has been widely welcomed by world

public opinion. It is an agreement to organize an unofficial meeting between the two Cambodian factions on the basis of equality and without any precondition. This agreement has paved the way for a peaceful solution to the regional problems, including the Cambodian problem.

The three Indochinese countries maintain that the agreement reached between Nguyen Co Thach and Mokhtar Kusumaatmaja is an agreement between representatives of the two groups of countries — the Indochinese and the ASEAN countries. Therefore, the agreement should be respected and no country has the right to change its contents. The three Indochinese countries have made a statement reiterating their support for the agreement. The statement of support has been clearly announced in the conference of deputy foreign ministers of the three Indochinese countries in Phnom Penh on 12-13 August.

It is regrettable that a certain country in the ASEAN grouping has tried to distort the said agreement. This has been clearly shown through the communique issued by the ASEAN foreign ministers following their unofficial meeting in Bangkok on 16 August. This ill-intentioned effort has been widely denounced by public opinion in the region and the world. For example, in its 21 August edition the Indonesian paper *Merdeka* also criticized and denounced the said effort of this certain ASEAN country. The communique of the unofficial meeting of the ASEAN foreign ministers on 16 August, in reality, is just a communique serving an old scheme which is aimed at sabotaging and subverting the PRK and at reviving the genocidal Pol Pot clique of murderers with the hope of helping this clique return to power to commit new crimes against the Cambodian people. Therefore, it absolutely can not be accepted by the three Indochinese countries or by the world's people who cherish justice.

The LPDR reiterates its correct and consistent stand of always supporting the stand and attitude of the PRK which, on many occasions, has announced its readiness to hold talks with Cambodians of the other factions in order to achieve national reconciliation on the basis of elimination of the Pol Pot clique. The three Indochinese countries once again reiterate that the Cambodian problem is characterized by two facets — domestic and international. The domestic problem of Cambodia must be settled by the Cambodian people themselves without any outside interference. The aforesaid correct stand and views of the three Indochinese countries have been extensively welcomed by progressive and justice-loving public opinion in the region and the world.

The proposal and effort of a certain country in the ASEAN group will never be realized because it runs counter to the aspirations of the various nations in the region. Therefore, the ASEAN countries will still have to fight against the said ill-intentioned trend in order to have the agreement as already agreed upon by the representatives of the two groups of countries put into actual practice to contribute to establishing and promoting peace, stability, and cooperation as well as to creating a trend for meetings in the region and the world.

### Comments on Accord

BK311049 Vientiane KPL in English  
0909 GMT 31 Aug 87

["Indochina-ASEAN Accord Should be Executed" — KPL headline]

[Text] Vientiane, August 31 (KPL) — "Vietnam, Kampuchea and Laos resolutely denounced the contents of the ASEAN joint communique at its informal meeting in Bangkok on August 16," *Pasason* says in its editorial today.

"The three Indochinese countries consider the accord reached in Ho Chi Minh City on July 29 between Indonesia and Vietnam, representing ASEAN and Indochina, to be one agreed upon by the two groups of countries," the leading daily newspaper points out. It adds that this accord could not be misinterpreted to serve the benefits of any individual country, and that both Indochina and ASEAN are obliged to it.

*Pasason* further expresses its full support for the principled stance of the three Indochinese countries regarding the joint Vietnamese-Indonesian communique issued on July 29, on the holding of a cocktail party between the two Kampuchean sides on the basis of equality and without any pre-conditions and political tags. "The three Indochinese countries consider this accord an initial step opening up prospects for the settlement of regional problems, including the Kampuchean problem," *Pasason* stresses. It further highlights this accord as an outcome of efforts exerted by Indochina and ASEAN which has given a more realistic chance for a dialogue between the two groups of countries for the peaceful solution of regional problems, including the Kampuchean issue. "If ASEAN sincerely wishes to solve the regional problems, it must not miss this chance. The ASEAN's negative attitude towards and its disrespect for the accord reached between Vietnam and Indonesia on July 29 will harm the credibility of any accords that might be reached in the future," *Pasason* underlines.

"The obstructive measures taken by some ASEAN countries, especially Thailand, with the backing of international reactionaries not only pose a hindrance to what has been agreed upon between the two groups of countries, but also serve the schemes pursued by international reactionaries and their henchmen in interfering into the domestic affairs of the PRK aiming at reviving the Pol-Potist genocidal regime," *Pasason* observes, adding that this attitude on the part of Thailand runs counter to the trend of our epoch and the aspiration of the peoples in the region.

"The Lao government and people firmly support the communique issued by the Vietnamese Foreign Ministry on August 28, for the settlement of regional problems, including the Kampuchean issue, and welcome the proposal by Vietnam and Kampuchea for the withdrawal of the Vietnamese volunteer troops from Kampuchea in conjunction with the elimination of the Pol Potist gang



in all spheres, the paper says. It reaffirms, in conclusion, the Lao government and people's contributive efforts for the implementation of the accord reached by Vietnam and Indonesia.

### **Radio on Thai Villagers View of Border**

*BK310619 Vientiane Domestic Service in Lao  
0430 GMT 21 Aug 87*

[Feature: "A Good Example in the Safeguarding and Enhancement of Brotherly Relations"]

[Text] Everyone is well aware of the tradition of solidarity and affections between the Lao and Thai peoples, which has existed since ancient times and has evolved into brotherly and neighborly relations. People living along the border between the two countries from the north to the south normally visit and communicate with one another all the time because they are sometimes close relations by blood. For example, in certain border areas parents are living on the Lao side while their children are living on the other side of the border or older and younger brothers are living on the opposite sides of the border from each other. Residents in some localities along the border also own property and rice-fields on the opposite sides of the border. Many of them are related to one another through intermarriages. In the past, the Lao and Thai peoples maintained close ties with and paid frequent visits to one another. They always shared rice and fish with one another. They used to farm on the same fields and to share water from the same rivers. The two peoples also shared similar dialects, traditions, custom, and culture and carry out a similar way of life. They even shared similar religious beliefs. Therefore, it can be said that the relations between the Lao and Thai peoples are ones of a profound and close nature.

After the establishment of the LPDR in 1975, a number of bad elements have tried to create a misunderstanding between the Lao and Thai peoples, aimed at dividing and subverting the solidarity and affections between them. These elements have perpetrated acts of tension along the border, which sometimes lead to armed clashes between the armed forces of the two countries. They have frequently committed illegal acts of encroachment on Lao territory, for example the incident at Don Sangkhi and Don Singsou islets, the incident at the three villages in Paklai District, and the plundering and illegal felling of invaluable and protected trees in the (Khoun Heuang) area, Boten District, Sayaboury Province, which is adjacent to Thailand's Na Haeo District in Loei Province and Chat Trakan District in Phitsanulok Province. The Lao side has collected sufficient evidence to prove such an illegal logging by Thai poachers, especially from the confessions of five Thai villagers who were arrested and detained by Lao authorities on 1 June 1987. After the detention of the five Thai citizens by the Lao side, bad elements in Thailand subsequently exerted influence by closing a border point in the area with a view to cutting off trading and contacts between the local Thai people in Na Haeo canton and Lao people in Na Bo

Noi canton. The border closing subsequently prompted the local Thai citizens living in Ban Muang Phae, Ban Napo, and Ban Bung villages in Na Haeo canton, Na Haeo District, to lodge a petition with the Na Haeo District chief officer, demanding that the border point be reopened so that they would be able to carry out trading transactions and communications with the Lao counterparts as in the past. At the same time, they also demanded that an operations post manned by a number of volunteer elements and border patrol police at Ban Muang Phae village, which has been used as a checkpoint post to implement the border closing order to cut off trading contacts and visits between the peoples living on both banks of the Heuang River, be relocated somewhere else; and that the support and assistance given by the Thai side, to exiled Lao reactionaries, who are the enemies of the Lao people and are subverting the Lao-Thai brotherly relations, be stopped. The villagers solemnly declared that if the issue was not settled in accordance with their demand, they would proceed to unmask the crimes committed by certain Thai authorities against the Thai people. The villagers' struggle became so intense that the Na Haeo District chief officer, Mr Somyot Tantrayaphon, was compelled to meet their demand on 8 July.

That was another victory of the Thai people in their struggle for justice and to safeguard and to make the good brotherly relations between Laos and Thailand last forever. It was an act which deserves much commendation indeed.

### **Philippines**

#### **Paper Says U.S. Envoy Facing 'Big Job'**

*HK281439 Manila MANILA BULLETIN in English  
28 Aug 87 p 6*

[Editorial: "Big Job for Mr. Platt"]

[Text] New U.S. Ambassador Nicholas Platt has come at a time the Philippines has practically restored full democracy with the opening of the Senate and the House of Representatives. His arrival is very timely also considering that Manila will be the venue of the December summit meeting of the heads of state of the six-member Association of Southeast Asian Nations (ASEAN), a group of relatively young and developing nations this side of Asia.

But a much bigger job lies ahead of Mr Platt — the strengthening of political, social, and economic ties between the Philippines and the U.S. This comes amid preparations for next year's bilateral review of the RP [Republic of the Philippines]-U.S. military bases agreement which expires in 1991.

A veteran diplomat and special assistant to U.S. Secretary of State George Shultz, Mr Platt is more than equipped for this delicate task. After a "get-acquainted session" with President Aquino at Malacanang, the new U.S. envoy has come out with a much broader perspective of the many years of historical relationship between the Filipinos and the Americans.

In Mr Platt's own words, "I am delighted to be here. I have looked forward to this for a long, long time. It is a great honor for me to represent my country in this great ally of ours."

This is warm reassurance that despite certain problems, two old defenders of freedom and democracy can overcome any obstacle to their friendship without strings attached.

#### **ASEAN Said 'Likely' To Cancel Manila Summit**

*HK282135 Quezon city MALAYA in English  
28 Aug 87 p 2*

[By Desiree Carlos]

[Text] The summit of the Association of Southeast Asian Nations (ASEAN) scheduled in Manila this December is likely to be called off due to the worsening peace and order situation, a top Department of Foreign Affairs official said yesterday.

This disclosure came after Vice President and Foreign Affairs Secretary Salvador Laurel asked Armed Forces Chief of Staff Gen Fidel Ramos and Defense Secretary Rafael Ilo to brief him on the current peace and order situation and what the military could expect in the next two months. Laurel met Ilo and Ramos at a luncheon which the vice president hosted.

Laurel told a press briefing that the peace situation has become "serious" and that "the marked resentment on the ailing economy is burdened by the NPA's decision to maximize offensive moves."

Ilo and Ramos had earlier assured Laurel that Manila would be safe to host the summit, which is expected to draw about 50 foreign dignitaries. Peace and stability in the region and other vital issues will be discussed during the summit.

In view of the intensifying communist activities, Laurel also revealed that he has started organizing residents of his province, Batangas into a neighborhood association through which the citizens can be briefed on how to defend themselves.

Laurel said his decision to form the association was prompted by the Aug 25 NPA in Taysan, Batangas, where some civilians were taken hostage.

Noting that Batangas used to have only two percent NPA infiltration, Laurel said he was dismayed during the raid of 200 rebels who were able to take about 3,000 dynamite sticks, 1,725 blasting caps, and seven firearms from a cement factory in Barangay Mabolo in Taysan.

"Self-protection is in the highest order of human need," Laurel said when a reporter expressed fear that the association might turn into a vigilante group.

Unlike the Nakasaka [People United for Peace], Laurel said his association will be "low profile and only for self-defense." Asked if it will be like the Alsa-Masa

[People's Uprising] in Davao, Laurel replied, "We might even improve on that."

On the powers of President Aquino to impose martial law, Laurel said Mrs Aquino still has to consult Congress on the matter as provided for in the Constitution.

He added that given the present peace and order situation, Aquino calls on her Cabinet Crisis Committee to discuss the matter from time to time.

#### **IMF Asked To Lower Economic Targets**

*HK310519 Hong Kong AFP in English 0505 GMT  
31 Aug 87*

[Text] Manila, Aug 31 (AFP) — The Philippines is asking the International Monetary Fund (IMF) to lower some economic performance targets set for the country, a Central Bank (CB) spokesman said here Monday.

An IMF mission and Philippine officials are currently reviewing earlier economic projections and some, like gross national product (GNP) growth, are to be revised, CB spokesman Roberto Garcia said.

"We are reviewing the whole thing," Mr. Garcia said.

He declined to specify which targets apart from GNP growth may be revised, saying talks were going on and "the less said about it, the better."

The growth target for 1987 had been set at six to seven per cent, but the government last week said actual growth would be about 5.8 per cent because investments, exports and agriculture did not grow as fast as expected during the first semester.

First-semester growth this year was initially estimated at 5.5 per cent. The economy grew by 1.5 per cent in 1986 after two years of sharp decline.

Economists fear that political problems, like last week's military coup attempt crushed by the Corazon Aquino government, could put a brake on Philippine economic recovery.

Finance Secretary Jaime Ongpin said the attempt would probably damage the economy, particularly the investment climate.

#### **Releases Standby Loan**

*HK011355 Manila PHILIPPINE DAILY INQUIRER  
in English 1 Sep 87 p 6*

[By Oscar M. Quiambao]

[Text] The International Monetary Fund has agreed to release the \$45 million installment of its \$257 million standby credit facility despite the country's failure to meet one of its requirements.

Central Bank [CB] officials participating in the current IMF review of the country's compliance with the criteria said the amount could be released possibly late this month or early October.

They said the mission has also agreed not to require the government to seek a technical waiver, the usual requirement for borrowers who fail to meet any of the criteria.

The criterion — Net International Reserves-Monetary Authority [NIR-MA], which should not exceed the negative \$521 million limit for the second quarter of the year ending June 30 — was not met when the country posted a huge -\$699 million during the June 11-25 period. It is the only criterion not met by the country.

The other criteria, which the officials said the country passed with flying colors, are the limits on the base money, public sector borrowing requirements, short-term debts and new borrowing approvals.

The NIR-MA represents CB's foreign exchange assets or its gross international reserves minus its liabilities that include payments for assumed private debts under circular 1091, the \$3 billion revolving trade facility and the \$925 million new money facility.

Circular 1091, which was issued in August 1984, allows private financial institutions to pay the peso equivalent of their foreign exchange debts to the CB which in turn assumes the obligation of repaying the creditors.

The CB officials said the IMF mission, led by Anoop Singh, the IMF Asia department director, was convinced by the government explanation that the ballooning NIR-MA was due to "external circumstances beyond our control."

They explained that the projected increase in government reserves, a major component of the NIR-MA, did not take place due to the unimpressive growth of export receipts as against importations.

They also blamed the delay in the release of some programmed loans like the \$100 million first tranche of the \$300 million economic recovery loan from the World Bank, the low world prices of Philippine exports, contraction in service receipts, expansion of invisible disbursements, lower transfers and higher world oil prices.

**Aquino Meets With Officials at Malacanang**  
HK011331 Manila THE PHILIPPINE STAR  
in English 1 Sep 87 pp 1, 8

[By Amy Pamintuan]

[Text] President Aquino has again ruled out the declaration of martial law or the suspension of the privilege of the writ of habeas corpus, Press Secretary Teodoro Benigno said yesterday.

"The President is committed, 100 percent committed, to the center," Benigno said. "And she has been very consistent, very emphatic in her statements that she shall never swerve from democratic means of being able to cope with the problems of this country... we don't have to resort to martial law."

Mrs Aquino met for over two hours yesterday at Malacanang's Premier Guest House with members of her official family to discuss matters which were disrupted by the mutiny.

Benigno said the President would push through within this month with her visit to Central Luzon, which was originally scheduled last Friday, and with her visit to Rome and the Vatican City in October.

Many of the rebel troops are still hiding out in Central Luzon but the President expressed no concern over this matter, Benigno said.

When asked if it was possible for the rebels to launch another attack, Benigno noted, "I would give them the chance of a snow ball in hell."

Benigno pointed out that despite the mutiny, the Aquino government "continues to remain the bedrock of political stability."

"If we have anything to do today, it would be to get back to the business of what we were doing and make sure that events go forward again, and that all departments bounce back to normal," Benigno said. "The President is in a very good mood, optimistic... things are moving very, very well."

Yesterday's meeting did not take up possible penalties for the coup participants, Benigno said.

When asked if the president would recommend to Congress the death penalty for some of the coup leaders, Benigno said, "We don't know yet exactly until things fall into place."

Benigno echoed the sentiment of top military officials that the mutineers' leader, renegade Col. Gregorio "Gringo" Honasan, had "deserted his troops."

"The spirit of (Japanese) bushido, where men are willing to die for their cause, or the Prussian warrior myth in Germany, where you are willing to be slashed to pieces because you believe in a certain principle, that was completely absent in the leadership of this coup," Benigno said.

Benigno observed that Honasan's supporters at the Philippine Military Academy would eventually realize that they were "out of step" with the rest of the Armed Forces and the Filipino people.

He corrected reports that Ramos had wavered in ordering an attack on Camp Aguinaldo and said Ramos and the President coordinated closely in dealing with the mutiny.

Benigno also said Malacanang issued orders to put out of commission the transmitter at Channels 9 and 13 so that they would not be used by the rebels for propaganda at the height of the mutiny.

Malacanang also gave orders to National Telecommunications Director Jose Luis Alcuaz to shut down radio stations which he felt were being used by the rebels, Benigno said.



Alcuaz shut down four or five radio stations, mostly identified with the Marcos loyalists, but failed to shut down station DZYH because of the intercession of several persons, including senators and congressmen such as Sen. Raul Manglapus, Benigno said.

**Cabinet To Discuss Junta Formation Report**  
*HK020421 Manila Far East Broadcasting Company in English 2300 GMT 1 Sep 87*

[Text] In Malacanang, Press Secretary Teodoro Benigno belittled the formation of a revolutionary military junta by rebel Colonel Gregorio Honasan. He said the junta is a phantom without any power of government and has no meaning whatsoever. Despite this statement by the press secretary, the cabinet will discuss today the reported formation of a revolutionary government and junta by the Honasan group. To be considered are the implications and consequences of the development. At the same time the government appeared to have opened a way for a possible peaceful surrender of renegade Colonel Honasan. Press Secretary Benigno and Crisis Management Committee Chairman Emmanuel Soriano said the peaceful surrender of Honasan can be arranged despite the shoot-to-kill order against him. They said the government will assure Honasan's safety if he decides to give up peacefully.

**Ramos on Rebel Military Junta, Failed Coup**  
*BK011154 Quezon City RPN 9 Television in English 1030 GMT 1 Sep 87*

[Text] The proclamation of a ruling junta is the last ditch effort by mutineers in support of a lost cause. This was the reaction today of AFP [Armed Forces of the Philippines] chief General Fidel Ramos to the Honasan-led military junta and provisional government. In a news conference, Gen Ramos pointed out his forces had avoided a civil war by acting swiftly to put down last Friday's coup attempt by Honasan and other junior officers. The real objective of Honasan's group to take power has been exposed by their declaration of a provisional government.

[Begin Ramos recording; in progress] ...of a provisional government under a military junta. Their initial assaults to capture or kill the president and control Malacanang and Camp Aguinaldo have failed. Apparently, the junta is now in the last ditch effort to generate support for a lost cause. The AFP and the law-abiding majority of our people have been the main losers in this episode not only in terms of personnel and material losses but especially our Republic's capability to confront the (?armed groups' threat) against our people, of which the CPP-NPA [Communist Party of the Philippines-New People's Army] is the most potent today. Apart from causing deaths and injuries to hundreds of Filipinos, Honasan had unwittingly given aid and comfort to the communist terrorists who even now have openly called for an intensification of their attacks. This is the greatest disservice that Honasan and his advisers have done against our people. [end recording]

Gen Ramos refused to verify reports Colonel Honasan and several supporters had escaped into the hillside of Cagayan. A military spokesman said officials were looking into reports Honasan had linked up in Cagayan with four or five officers who escaped after their occupation of Camp Olivas. Cagayan Province, as you know, is home to Senator Juan Ponce Enrile, Honasan's former boss and ostensibly chief political rival of President Aquino.

**Further on Ramos Remarks**  
*HK011317 Manila MANILA BULLETIN in English 1 Sep 87 p 10*

[By Roy C. Sinfuego]

[Text] Gen. Fidel V. Ramos, chief of staff of the Armed Forces of the Philippines (AFP), said that even if the soldiers have the enthusiasm to do their jobs well, they can not do so because of the marginal level of support the government has been extending to the military.

During an inspection he conducted of Camp Aguinaldo Saturday, the day after that "Bloody Friday," General Ramos was speaking out his mind on what ails the military.

"You see what happened in that bloody coup — we have to pick our units to be deployed in this camp from various services outside Metro Manila because our troops are spread so thinly," he said.

What does this mean? he asked.

He then complained that the AFP has not been getting the budgetary support it needs for efficient operations.

He recalled that during the last 15 years, the AFP had been getting an average 15 percent share of the national budget. In 1987, the share went down to 7.2 percent and this year, it was further reduced to six percent, he said.

The general noted that when the AFP leaders submit to a request for budgetary support, it is sometimes misconstrued as an intention of the AFP to grab the pie "because we want to live comfortably."

"Let's think about this," he said as he stressed that the "AFP's missions — the protection and security of our national integrity — constitute the highest form of national interests."

Two days earlier, he had complained that the military has been using antiquated equipment, such as the World War II-vintage P-38 Tora-Tora fighter planes and the 25-year old Huey helicopters.

He also griped about the low salary scale of the soldiers, pointing out that even private security guards, who work only eight hours a day, are receiving higher pay than the soldiers who are on call 24 hours a day and who are exposed to all kinds of danger.

**Senator Enrile Comments on Attempted Coup**  
*HK011311 Manila MANILA BULLETIN in English*  
1 Sep 87 pp 1, 5

[By Olaf Giron]

[Excerpts] Sen. Juan Ponce Enrile questioned yesterday the ability of the government to control criminality and insurgency, judging by the violent events that have occurred since January up to Friday's coup attempt.

"The current state of affairs must be a concern of all Filipinos," he said. "Last Friday's event is only a symptom of our national condition," Enrile told the Rotary Club of Makati at the Manila Peninsula Hotel. [passage omitted]

The national leadership, he said, must guard against "repeating the pitfalls of pointing to scapegoats within the soldiery to cover for a basic failure."

The Senate Minority leader pointed out that since the beginning of the year, the country has experienced three violent incidents involving coup attempt by soldiers, namely, the event last Friday, the Black Saturday incident of April 18 in Fort Bonifacio, and the Jan. 27 takeover of GMA Channel 7.

"The young idealistic officers and men of the armed forces need your faith, your confidence, and your support," Enrile told the Rotarians, urging them to listen to their voices.

The former defense secretary said he was "again being unfairly assailed in the aftermath" of the latest coup attempt. But he added that "I make no apologies for anyone or for my friendship or for my personal associations."

No amount of political pressure or black propaganda will deter me from performing my job in the opposition. My fervor in fiscalizing those in power shall be undiminished," he said.

Meanwhile, Vice President Salvador H. Laurel told a press conference that while the military uprising has been quelled, the nation's problems are far from over.

Laurel said he has sent a memorandum to President Aquino, stating that the problems must be solved because they involved the soldiers "whom we must depend on to protect the Republic."

In addressing the problem of military unrest, he said "we are not suggesting that the perpetrators of the mutiny be let off easily or let off at all."

"But if they were prepared to risk their lives for their cause, then we must try to understand what that cause is so that we can prevent its breeding future mutinies," Laurel said.

The vice president called for the creation of a non-political commission to look into the root causes of the military unrest, to study its depth and understand the problems of the officers and enlisted men.

This commission, he said, would evaluate its findings in consultation with the proper government offices and make recommendations which can be acted upon by the President, the legislature and the military leadership.

In a related development, Sen. Ernesto Maceda told the Senate that certain executive officers were trying to drive a wedge between President Aquino and Gen Fidel V. Ramos.

Maceda said in a privilege speech that Ramos deserves commendation for living up to his oath to support the president and democracy.

"I shudder to think of what might have happened if Gen. Ramos had hesitated at any time," he said, as he cited the case of former street marchers who think they can command better than generals.

Maceda asked the President to "stop this infighting and reign in her boys before it is too late."

**Legislators Question U.S. Role in Coup**  
*HK011323 Quezon City MALAYA in English*  
1 Sep 87 pp 1, 2

[By Benjie Guevarra and Chit Estella]

[Excerpt] Members of the House of Representatives yesterday accused the U.S. Government of having engineered past attempts by right-wing factions of the military to topple the Aquino government.

The Senate, meanwhile, lauded the role of Gen. Fidel V. Ramos, Armed Forces chief, in quelling the mutiny on Friday but indicated it would summon him for questioning on the circumstances that prompted the coup attempt.

Five senators noted in their privilege speeches that the latest coup attempt was the most threatening to confront the 18-month Aquino government.

Sep. Raul S. Manglapus said his colleagues had been warned the mutineers would enter the session hall and close down the Senate after rounding up its members.

Amid fears of a new wave of attacks by the rebel soldiers, the House of Representatives bolstered its security force by providing every congressman with two armed security guards.

In separate privilege speeches, Rep. Venancio Garduce (PnB [People's Party], Samar) and Rogaciano Mercado (Laban [People's Power], Bulacan) urged President Aquino to punish severely the "misguided elements and derelicts" of the military out to overthrow the government.

Garduce said the U.S. Government appears bent on using the military to perpetuate its control over the country amid the growing clamor for the dismantling of the U.S. military bases, a selected repudiation of the \$28.7-billion debt and implementation of genuine land reform.

He said the cause of the soldiers' demand for better pay and facilities in their counterinsurgency drive "is the one-sided and unequal neo-colonial relationship between the Philippines and the U.S."

For his part, Mercado said "The boldest step this administration should take to assert civilian supremacy over the military is to free itself from U.S. interference."

Mercado said reports linking U.S. retired Army Gen. John Singlaub to the renegade soldiers "is just a reminder that if we continue to depend on the U.S. to solve our peace and order problems, our military would soon lord it over the country again."

Sen. Manglapus in his speech, described the coup as one of the realities in the transition taking place in the government. The fact is the Armed Forces under the new democracy was the same Armed Forces under the deposed authoritarian regime, he said.

The government must recognize the role and needs of the soldiers, especially their demand for better treatment and living conditions, Manglapus added.

He indicated that the administration must also take note of the frequent visits of Americans who "answer the extreme-left fervor with the opposite extreme-right fervor, fire with fire, leftist absolutism with rightist authoritarianism."

Manglapus lamented the fact that the visit of these American extremists who had supported the Marcos regime were even hosted by the National Defense College of the Philippines, the premier training institution of the AFP [Armed Forces of the Philippines].

Sen. Ernesto Herrera also proposed that Congress investigate and determine the reported participation of foreigners and civilian personalities in the incident.

He added that many questions have remained unanswered, such as the failure of the AFP General Headquarters to receive intelligence reports on the movement of troops.

Sen. Neptali Gonzales, cautioned against a tendency to gloss over the political motives of the leaders of the coup and to regard their demands as stemming purely from legitimate needs. He said it was possible the leaders of the mutiny only wanted to seize power.

Sen. Ernesto Maceda said the leadership of Gen. Ramos should not be belittled, pointing out that it was Ramos's support that gave stability to the Aquino government. [passage omitted]

**Military Academy Cadets Protest Said Over**  
HK020755 Baguio City Mountain Province  
Broadcasting Company in English 0330 GMT 2 Sep 87

[Text] At a press conference in Camp Aguinaldo, Major General Eduardo Ermita said the massive protest of the PMA [Philippine Military Academy] cadets is over. The

cadets went on strike upon learning that Honasan and his men were bombed inside Camp Aguinaldo at the height of the coup attempt. Ermita [words indistinct] to the cadets and told them that it is not true. Only rockets and machine guns were used against the rebel soldiers.

[Begin Ermita recording] One piece of misinformation given was that in the [words indistinct] to have taken place here in Metro Manila, the Armed Forces of the Philippines utilized a much stronger force, such as the use of the Tora Tora and other recoilless rifles [as heard] against the rebel soldiers [word indistinct] declaring their disadvantageous position. And I told them that is the very reason why the chief of staff sent me to explain that [name indistinct] was inside Camp Aguinaldo heading a small group of officers and men who defended the coup. I explained all the details to them and told them that this is not true. [end recording]

#### Two Under Technical Arrest

BK011257 Quezon City RPN 9 Television in English  
1030 GMT 1 Sep 87

[Text] Two Philippine Military Academy [PMA] junior officers were placed under technical arrest today. First Lieutenant Fernando Baltazar and (Gregorio Catapan) were charged with renouncing their allegiance to the Aquino government and supporting Friday's failed coup attempt. Baltazar and (Catapan) were among the 30 PMA officers who supported Colonel Gregorio Honasan and his group in their attempt to overthrow the government. Both were placed in isolation confinement at the academy pending the outcome of an investigation to be conducted by a five-man board of inquiry. The board has until Friday, 5 September, [as heard] to probe the cases of Baltazar and (Catapan) and determine specific charges against them based on the Articles of War.

**NDF Urges Escalation in Wake of Coup**  
HK011405 Manila PHILIPPINE DAILY INQUIRER  
in English 31 Aug 87 pp 1, 10

[By Roy de Guzman with Serafin Ramos Jr and Max Sangil]

[Text] The communist-led National Democratic Front [NDF] yesterday urged all units of the New People's Army [NPA] to step up their attacks against the "divided" military.

In a statement sent to newspaper offices, the NDF said the failed military mutiny of Col. Gregorio Honasan exposed the deep-seated power struggle in the government giving the communist rebellion an "excellent opportunity" to flourish.

"The mutiny," said the NDF, "was a panic reaction to the rapidly growing strength of the revolutionary forces in the cities and the countryside."

Before the statement was issued, the military reported that five people — two policemen, two civilians and a communist guerilla — were killed when about 20 rebels raided a police outpost in Iriga City. The NPA's escaped with two captured rifles and a revolver, the military said.



In Davao City, 14 persons were killed and eight others were wounded when NPA guerrillas Saturday attacked a police detachment in barangay Indangan some 14 kilometers north of the city proper.

Brig. Gen. Romeo Recina, Recom [Regional Command] 11 commander, said the rebels aboard three jeepneys assaulted the outpost at 2 o'clock in the afternoon but were repulsed by policemen manning the checkpoint and reinforcements after a two-hour firefight.

Recina claimed rebels suffered 10 killed and 15 wounded. Only four rebel bodies, however, were recovered by government troops. PC [Philippine Constabulary] Sgt. Frederick Morata of the regional special action force, Alsa Masa [People's Uprising] member Victorio Libutos and two other civilians were killed in the incident. Three government troopers, an Alsa Masa member and four other civilians were wounded, Recina said.

In Angeles City, about 20 heavily-armed men aboard a dump truck Saturday killed three PC troopers inside their patrol car along the busy McArthur Highway near the Mabalacat Angeles City boundary.

The attackers were believed to members of the NPA.

Lt. Col. Amado Espino Jr., Angeles metrodiscom commander, identified the slain soldiers as M/Sgt. Alberto Salazar, S/Sgt. Artemio Corpuz and S/Sgt. Renato Valdez, all belonging to the Constabulary Patrol Group assigned at Camp Olivas.

The NDF also accused the civilian and military leadership of responding to the people's demand for change through repressive acts instead of conducting dialogs.

the NDF cited the violent dispersal of several barricades last week during the Welga ng Bayan (nationwide strike) opposing the oil price increases.

The NDF claimed the people refused to back either President Aquino or the coup plotters "since both factions (in the government) spell repression."

It added the U.S. Government and top political leaders are behind the failed coup, but did not elaborate.

"Although the coup may have been frustrated again, more of the same can be expected in the future, bloodier than now," said the NDF.

#### Press Views Abortive Coup Attempt, Aftermath

##### 'New Dictatorship' Condemned

HK011421 Manila THE MANILA CHRONICLE  
in English 31 Aug 87 pp 1, 6

["Analysis" column by Amando Doronila: "Nation Saved From Jaws of New Dictatorship"]

[Text] It is beyond doubt that Col. Gregorio Honasan's bid to seize power was intended to overthrow the constitutional Government of President Aquino and install

a military junta. Once this sinks into our minds, it is easy to appreciate the frightening reality that in the collapse of the coup the nation has been snatched from the jaws of a military dictatorship. This is the most straightforward way to describe the crisis the nation went through last Friday.

Forget about the disclaimers by the ringleader, Colonel Honasan, who said "This is not a military coup. All we are fighting for is the children, our children and the children of the Filipino people." Or his claim that President Aquino was establishing a "personality cult" and that her Government had lost "political will."

This is mealy-mouthed political rhetoric which served to disguise the real aim of the attacks launched by rebel troops last Friday on the important seats of State power — Malacanang and the Armed Forces General headquarters — and several strategic military installations and TV stations.

Expressed in its most profound significance, the coup attempt marked for the first time in the nation's history an armed intervention by a section of the Armed Forces to grab State power from a democratic Government legitimately installed by the sovereign will of the people through the electoral process.

This must be understood clearly. The putsch was an attempt to change a political system by force. Although they did not say so, Col Honasan and his group presented themselves as an alternative government to that legitimately installed by the people. The presentation of that alternative — a military junta — was through violence and illegal means. While democratic politics permits the existence of alternative governments operating within a party system, the Honasan enterprise had no use for this. The idea was to force political change through the barrel of the gun.

The political intervention by the rebels to impose their own vision of society — about which there are admittedly many things wrong — is a unique political event whose significance must be understood properly. It has no precedent in our political experience. The EDSA [Epifanio de los Santos Avenue] uprising cannot be cited as a parallel. Neither can the declaration of martial law by former President Marcos in 1972 be invoked.

To be sure, the military rebellion sparked by the withdrawal of allegiance to the Marcos Government by the then defense minister, Juan Ponce Enrile, and the then vice chief of staff, Lt. Gen. Fidel Ramos, was a military intervention which touched off the popular upheaval that overthrew the Marcos regime. But that intervention was intended to end a dictatorship. More important, it took place in the context of a powerful civilian movement sweeping the country and seeking to restore democracy. The context of the EDSA rebellion, even though it had a crucial military component, was the broad democratic impulse giving it a dynamic force.

In the case of the declaration of martial law, President Marcos grabbed all the powers of State — he suspended

civil liberties, closed Congress and suspended party politics — using the military to back the seizure.

Both events were historic. Had the Honasan coup succeeded, it would also have been a profoundly historic event in that it would represent the turning back of the nation from democracy to dictatorship, with the installation of a junta.

The makings of the Honasan junta emerged on Friday morning when a group of rebels presented themselves in TV Channel 13 to read a statement to the nation. Seizure of communications stations and the reading of proclamations are classic steps in the formation of juntas. What follows is the appearance of the "strongman," the self-proclaimed "savior of the nation," trying to deliver it usually from corruption, economic incompetence, communism and total chaos.

The rebels gave themselves away when their young spokesman — apparently the front man — said they were "idealistic young officers" seeking to save the nation from corruption. He added: "This move is not directed at the citizenry whom we've sworn to protect. Rather we wish to remedy the vicious cycle of over-indulgence in politics that now pervades society."

The last sentence is a key to the intentions. It discloses an impatience by the rebels with the slow decision-making process of democratic politics. In effect, it was a declaration against parliamentary politics and a reintroduction of the theme that national progress can best be achieved by the arbitrary system of authoritarianism — a system discredited by our experience with the Marcos dictatorship.

One need not go farther to visualize that the rebels were really considering the installation of a junta. However, the fight for the control of the TV stations turned in favor of the Government, thereby aborting the further unveiling of the rebels' political program through TV.

The rebels presented two sets of issues which motivated their armed intervention in their effort to change society. The first set comprises internal military demands such as ridding the military of corruption, change in the leadership of General Ramos, fair and equitable promotion and assignments, etc. But the second set comprises political issues which legitimately belong, for their resolution, to the realm of political institutions. These issues include the demand for President Aquino to step down, for cleansing the Government of corruption and for a more determined counter-insurgency campaign.

By using the political issues as a basis for an armed attack on the centers of State power, the rebels have overstepped the boundaries for seeking redress of grievances within the constitutional political system. They sought change outside the system. Indeed, in their conception, the system had to go and make way for a dictatorship.

This, in essence, is the fundamental issue underlying the coup attempt and the forceful defense by the Government to crush it. The rebels tried to cloak their intentions

with ambiguity. They had to because once it was clear that the goal of "national salvation" really meant dictatorship by the junta, then the putsch could not mobilize popular support. It had to be resisted.

#### **Ramos' Role Criticized**

*HK011413 Manila PHILIPPINE DAILY INQUIRER  
in English 31 Aug 87 p 4*

[“Postscript” column by Federico D. Pascual Jr. “Ramos Has a Lot To Explain”]

[Text] That Friday coup attempt makes a major policy and staffing revamp in the Armed Forces imperative. There is also a need to reaffirm the supremacy of civilian authority over the military establishment.

This despite the fact that President Aquino still believes in Gen. Fidel Ramos, her chief of staff, and General Ramos, in turn, is loyal to his commander-in-chief.

One problem brought to the fore is the apparent differences in tactics between Malacanang and the military, or in how to achieve common objectives. When they do not agree on how to accomplish a mission, who must prevail?

President Aquino, who was the main target of the mutinous troops, wanted swift, punitive action against the attackers. If government troops had to shoot Gringo's boys in the process, the choice was clear.

But Ramos appeared to have been holding back, probably considering a negotiated draw with the wayward officers, using the same approach he had used in earlier capers — a fatherly talk to convince them to stop it.

President Aquino's line was a straight no-nonsense line which would waste no time. That of Ramos, in contrast, would be a wishy-washy curve which would prolong the unstable war situation.

Ramos gave the impression he did not want to start an irreversible war. So, as one government installation after another fell, as the daylight minutes ticked away, there was Ramos weighing his options.

For sure, Ramos will have a lot of explaining to do. There was an intelligence failure, a breakdown of discipline, and a lack of will to achieve a swift, clear victory over the rebel soldiers.

Intelligence failure was a basic shortcoming. How come Ramos was unable to anticipate Gringo's plans? The enemy does not draw up an elaborate plan, brief a large number of soldiers, move and deploy large contingents without competent intelligence learning about it.

The whole place just suddenly seemed to explode like a popcorn maker. If Ramos knew about Gringo's sinister moves, why was he unable to take preemptive action? Was he complacent in the thought that he had already talked them out of them mischievous capers?



Discipline breakdown is translated into the identity crisis gripping the military. If you ask each soldier and officer in the Armed Forces the question, "Kanino ka ba?" ["Who are you for?"], you will not be able to get a snappy, convincing answer.

Now if Ramos cannot exact an overwhelming vote of loyalty for the chain of command that starts with the president, there is something wrong with the leadership.

It seems that the government learned of the coup attempt only when rebel troops showed up near Malacanang and proceeded to execute a bloody plan to get the Palace and the president.

Granting the Palace attack was a total surprise, from that time on, what was done to protect other likely targets? If there was competent preparation, how come the targets fell? There was no superior enemy force and certainly, by that time, there was no longer the element of surprise.

The coup attempt offers a number of lessons for Ramos and the rest of us who have not gone to West Point.

One is that the attempt to win over the rebel officers through public relations and a fatherly slap on the buttocks has failed.

Instead of isolating the recalcitrants to make sure they could do no harm, Ramos sent Gringo to Fort Magsaysay in Nueva Ecija to teach Special Forces (unconventional warfare) operations! He also sent a Gringo comrade, Col. Red Kapunan, to teach at the Philippine Military Academy in Baguio.

Note that Gringo's trainees were the same ones he mustered for the attack on Manila. Kapunan's cadets were also reported as in a rebellious mood, in sympathy with the Gringo uprising. In Cebu, note that Brig. Gen. Edgardo Abenina, ReCom [Regional Command] 7 chief who publicly supported Gringo, was recommended by Ramos himself.

There is, indeed, an urgent need for a policy review and a military revamp.

#### **NPA Bolstered by Coup**

HK011337 Manila MANILA BULLETIN in English  
1 Sep 87 p 6

[From Jesus Begornia column: "NPA Made Bolder by Recent Coup"]

[Text] Like the prevailing weather, national relief over the passage of another crisis is dampened by a new threat to the Aquino government. Leaders of the communist-dominated National Democratic Front (NDF) are quoted as having urged their armed colleagues in the New People's Army (NPA) to step up attacks on the military. They have diagnosed the Armed Forces of the Philippines (AFP) as "deeply" divided. The mutiny led by Lt. Col. Gregorio "Gringo" Honasan, it is pointed out, exposed serious cracks in the military establishment, thus making it vulnerable to the assaults of communist rebel forces.

Communist leaders may be correct in their assessment of the present status of the military establishment. But they could be wrong in assuming that the forces of government are easy pickings as a consequence of such divisions within their ranks. For it is a well-known fact that the rank and file of the Armed Forces have been thoroughly indoctrinated in the belief that the communists are their enemies as they are the enemies of the state. That the contending military factions would unite, even temporarily, in the face of a threat posed by the NDF is not far-fetched possibility.

It is only natural to expect that the NPA saw in the failed putsch a cause for celebration. They are an enemy divided and expending lives and bullets with unusual prodigality. Which should bring home to the national leadership the importance of reunifying conflicting factions within the military establishment in the greater interest of national security. If there is any lesson to be learned from the sad incident it is that the rebels had rebelled at the establishment and that they wanted reforms.

President Aquino's hard-nosed stance may have made amnesty for mutineers impossible. She is adamant in her claim that she was the chief target of the military rebellion. It is understandable that she feels directly threatened; rebels had wounded her only son, Benigno Aquino III. For those who took part in previous mutinees, presidential clemency may also have become moot and academic. A sorry state of affairs, indeed.

For, if communist rebels who have ravaged the countryside and killed civilians and government personnel in the process are entitled to amnesty, it stands to reason, as was recently pointed out by Pampanga Gov Guiao, that rank and file soldiers, misguided by their superiors, should likewise be considered for presidential clemency. Gov. Guiao, once a close associate of the late opposition leader Senator Benigno Aquino, Jr., husband of the president, quite correctly pointed out that amnesty for erring soldiers should go far to dispel their alienation while bolstering the government's call for national reconciliation.

But, as has been earlier pointed out, the President considers the latest abortive coup d'etat as a direct challenge to herself and her family and consequently those guilty of taking part should be punished to the full extent of the law. The need for imposing discipline in the military service must override other considerations.

**House Committee Questions Ito, Ramos**  
HK281435 Manila MANILA BULLETIN in English  
28 Aug 87 pp 1, 5

[By Rod I. Villa Jr]

[Text] Congress leaders questioned defense and military officials yesterday on the increasingly violent peace and order and insurgency situation.

But Defense Secretary Rafael Ito; Gen. Fidel V. Ramos, Armed Forces chief of staff; and Lt. Gen. Renato de Villa, AFP [Armed Forces of the Philippines] deputy



chief of staff, appearing before a Congressional probe, said the soldiers, lacking logistics and other resources, cannot alone be blamed for the problem.

Members of the 31-man House committee on defense chaired by Rep. Jose V. Yap (Laban, Tarlac), took turns in questioning the defense and AFP top brass in a closed-door executive session on issues ranging from the American military bases to the ambush-slaying of Local Government Secretary Jaime N. Ferrer.

Ileto and Ramos said it is unwise to single out the military in viewing the crime and dissident problem which is complicated by the prevailing economic difficulties and social and political upheaval.

Yap told media after the session that the officials described the peace and order condition as "not so bad, but not so good either," with assurances that the situation is "very much under control."

The Defense and AFP leaders responded to a summons by the House exercising its budgetary and investigative powers.

Ramos told the lawmakers the officers and men in the field were at peak morale but were hampered by the lack of equipment and resources in running after criminals and insurgents.

Ileto asked Congress to approve measures to build up national defense to full self-sufficiency and preparedness in anticipation of a change in the regional situation that may lead to the dismantling of the foreign military bases in the next five years.

He demanded a clear-cut security and foreign affairs policy to guide the defense and AFP officials in preparing the nation for internal and external aggressions.

"The country must now start building up its defenses, even as the leaders prepare for the renegotiation on the U.S. military bases next year," Ileto told the congressmen.

#### **Ileto on Military Budget**

*HK281820 Quezon City MALAYA in English  
28 Aug 87 p 3*

[By Benjie Guevarra]

[Text] Defense Secretary Rafael Ileto told the House Committee on National Defense yesterday that the government must settle at once the U.S. bases issue so the military would not be caught unprepared by possible external aggressors in case it decides to terminate the Philippine-U.S. military bases agreement after it expires in 1991.

Ileto said in case the government decides to adopt a neutral stance and dismantle the U.S. facilities, the military budget should at least be doubled to enable it to defend the country once the security umbrella provided by the presence of the American bases is removed.

He noted, however, that in such a decision, the country stands to lose about \$180 million worth of military equipment it is receiving from the U.S. as part of the base rentals.

At present, Ileto said, "We are not capable of defending ourselves from foreign aggressors." He pointed out that President Aquino has even reduced by more than P3 billion the proposed military budget for 1988.

In the proposed national budget of P169 billion which Mrs Aquino had submitted to the House Tuesday, P9.7 billion is allocated for defense, or almost one-fourth lower than the P13 billion proposed by the military for next year.

Ileto said, however, the external threat is "non-existent" at the moment, owing to the presence of the American facilities here. The situation will be different, however, if the U.S. pulls out its installations, he said.

#### **Official Defends Police Arrests of Strikers**

*HK282122 Quezon City MALAYA in English  
28 Aug 87 pp 1, 2*

[Text] Press Secretary Teodoro Benigno yesterday said the military and police have standing instructions to arrest anybody who "resort to violence or commit unlawful acts."

He declined to say, however, if President Aquino was consulted before lawmen rounded up leaders of Wednesday's "Welga ng Bayan [national strike]." He said the President had no reaction to reports of a crackdown.

President Aquino, in a brief talk with newsmen before the mass arrests, said she was informed that strikers provoked the Bacoar, Cavite clash, where a woman protester was shot dead by lawmen who exploded Molotov bombs.

The President said she had nonetheless ordered Armed Forces vice chief Lt Gen Renato de Villa to investigate the Bacoar incident, where at least seven persons were injured.

Also at the Palace, Executive Secretary Joker Arroyo said there was "no way" for the government to dialog with the striking drivers, only to announce a few minutes later that it would be "fine" if officials could talk to them.

Arroyo, who was instructed by President Aquino to meet with the strikers, said they will negotiate because it is their duty.

Arroyo also blamed strikers for the violence that accompanied the joint labor and transport strike.

Benigno said, "There were specific orders yesterday (Wednesday) that demonstrators who would resort to illegal means such as barricading a street were liable to arrests."

Benigno said Malacanang was in close coordination with the military and the police on measures undertaken against strikers.

He added the government "is confident that the worst is over."

Arroyo said, "This government has always been open to talking with them. But we don't like the idea that when we want to talk to them, they make themselves scarce. Then, after they demonstrate, they say that they wanted to talk to us."

Accusing strike leaders of "hiding" after being called for a dialog, Arroyo warned that "this government is not going to buckle down under pressure."

"That they want anarchy is an indication there's no sincere desire on their part to really solve the problem," he said.

Strikers claimed that Palace officials snubbed them. The strikers said that during their rally on Mendiola Bridge leading to the Palace, they pressed for a dialog with Malacanang officials but were unsuccessful.

#### **Legislators Denounce Arrests**

HK282137 *Quezon City MALAYA in English*  
28 Aug 87 pp 1, 2

[Excerpt] The nationalist bloc in the House of Representatives yesterday denounced the violent dispersal and arrest of demonstrators protesting the oil price hike and demanded that an investigation be conducted immediately.

Also at the Chamber yesterday, the coalesced minority called for the resignation of Cabinet members responsible for giving President Aquino wrong advice which led her to authorize the increase in oil prices last Aug 14.

Mrs Aquino subsequently offered a partial reduction of the oil prices because of the declining price of crude oil in the world market and criticisms hurled against her by various sectors which supported Wednesday's nationwide strike.

In a resolution calling for an immediate investigation of the dispersal and arrest of demonstrators, the nationalist bloc said, "The use of force and arms negates the constitutional provision which guarantees freedom of assembly and speech."

The resolution was filed by, among others, Anna Dominique Coseteng (Kaiba [Kababaihan Para sa Inang Bayan — Women for Motherland], Quezon City), Venancio Garduce (Partido ng Bayan [PNB — People's Party], Samar), Edcel Lagman (Laban [Lakas ng Bayan — People's Power], Albay), Florencio Abad (LP [Liberal Party], Batanes) and Gregorio Andolana (PNB, North Cotabato). [passage omitted]

#### **Cebu Red Alert for 'Unidentified' Attackers**

HK020925 *Quezon City Sports Radio 738 in English*  
0900 GMT 2 Sep 87

[Text] In Cebu City, the Central Visayas Military Regional Unified Command [RUC] air troopers at Camp Lapu-Lapu have been placed under maximum red alert. This follows intelligence reports of an attack by unidentified armed men. Colonel Miguel Abayas, RUC deputy commander, said intelligence operatives were ordered to check the report. According to reports, unidentified soldiers were planning to launch an attack but Abayas could not say from what group.

#### **15 Killed in NPA-Army Clash in Davao**

HK310119 *Manila Far East Broadcasting Company in English* 2300 GMT 30 Aug 87

[Text] In Davao City, 10 New People's Army [NPA] rebels and 5 soldiers and Alsa Masa [People's Uprising] members were killed in fighting when rebels attacked a police detachment at barangay (Buhanan). The attack was launched by the NPA at 0200 yesterday morning. Fifteen other rebels were wounded. The casualties on the government side include a PC [Philippine Constabulary] sergeant and policeman and an Alsa Masa member.

#### **Drought Reduces Forecast GNP to 5.8 Percent**

HK281742 *Manila THE MANILA CHRONICLE in English* 27 Aug 87 p 11

[By staff member Ray Enano]

[Text] The National Economic Development Authority (NEDA) revised its growth target of 6.5 percent for 1987 as the government failed to sustain most of its basic assumptions in the economy during the first six months of the year.

Economic Planning Secretary Solita Monsod said yesterday that growth in the economy as measured in terms of the gross national product (GNP) is now projected at 5.8 percent at the most.

Monsod, who is director-general of the NEDA, said the economy grew by 5.1 percent during the first semester based on preliminary estimates.

Monsod also said that the first quarter growth of 5.53 percent was adjusted downward due to the poor performance of the agricultural sector as a result of the drought.

The revision, according to her, was mainly due to the negative growth of the crops sector which was adversely affected by the drought.

On the recasting of the 6.5 percent GNP growth for 1987, Monsod said the target "was no longer realizable".

"It is realizable if certain things were happening in the economy," she said.

Monsod pointed out that the 6.5 percent target depended on an investment growth rate of 30 percent. Investments from both the public and private sectors grew only by 23 percent during the first half, she said.

She continued that exports were projected to grow by 5 percent but it only managed to increase by 4.7 percent during the first six months.

Moreover, she said agriculture was expected to grow by 3 percent for the entire year but the figure for the first half growth "was very low because of the drought".

Monsod also said certain amounts of government investments during the first half were not spent that could have a multiplier effect in the economy.

"Our problem is that programmed government expenditures were not spent," she said.

She said that the Department of Budget and Management has released the funds but these have not been used.

Earlier, Budget Secretary Guillermo Carague said about 3.5 billion are lying idle in the Philippine National Bank (PNB). Carague said that insofar as his department was concerned, 99 percent of the 1987 budget during the first half was already released.

Most of the funds lying idle at PPB, according to him, were supposed to finance public works projects.

### **Vietnam**

**Pham Hung Addresses National Day Fete**  
*BK011036 Hanoi International Service in English*  
1000 GMT 1 Sep 87

[Text] A grand meeting to mark Vietnam's national Day 2 September and the 42th anniversary of the August Revolution was held in Hanoi on Tuesday [1 September]. The meeting was attended by General Secretary of the CPV Central Committee Nguyen An Linh; advisers to the party Central Committee Mr Truong Chinh and Mr Pham Van Dong; President of the State Council Vo Chi Cong, Chairman of the Council of Ministers Pham Hung; and many other Vietnamese party and state leaders. Also present were members of the diplomatic corps and representatives of central offices and mass organizations in Hanoi.

Addressing the meeting, Chairman of the Council of Ministers Pham Hung pointed out the important significance of the August Revolution and the achievement in all fields attained by the Vietnamese people in the past 42 years. Chairman Pham Hung pointed to the tasks which the Vietnamese people have to do in the coming period. He emphasized the fundamental problems of abolishing bureaucratic centralism and the state subsidies mechanism of economic management and shift to socialist cost accounting. That is the road forward to release the productive capacity to build a new life, successfully build socialism, and firmly defend the Vietnamese homeland.

On foreign policy, Chairman Pham Hung affirmed that the Vietnamese party, state, and people have been promoting the treasure of friendship and strategic alliance between Vietnam, Laos, and Cambodia; strengthening and renovating the comprehensive cooperation with the Soviet Union and other socialist countries; promoting solidarity and cooperation with India and other independence countries, with peace and progressive forces in the world, while standing ready to develop equal and mutually beneficial cooperation with all nations.

Chairman Pham Hung said: The Vietnamese people had and have been striving persistently to normalize relations with China and to restore the traditional friendship between the two nations.

**Leaders Honor Ho Chi Minh on National Day**  
*OW011955 Hanoi VNA in English 1627 GMT 1 Sep 87*

[Text] Hanoi VNA September 1 — A delegation of the party Central Committee, the National Assembly, the State Council, the Council of Ministers and the Fatherland Front Central Committee today paid a floral tribute to President Ho Chi Minh at his mausoleum.

This was occasioned by the 42nd anniversary of the national day (Sept. 1)

The delegation included Nguyen Van Linh, general secretary of the party Central Committee, Truong Chinh and Pham Van Dong, advisers to the party Central Committee; Vo Chi Cong, president of the State Council; Pham Hung, chairman of the Council of Ministers; Huynh Tan Phat, president of the Vietnam Fatherland Front Central Committee; and other high-ranking party and state officials.

The delegation also laid wreaths at the Hanoi cemetery in memory of fallen fighters.

The same day, members of the diplomatic corps also paid tribute to the late president.

### **CPV Central Committee Holds Third Plenum**

**Nguyen Van Linn Address**  
*BK010253 Hanoi Domestic Service in Vietnamese*  
2300 GMT 31 Aug 87

[“Text” of “important address” given by CPV General Secretary Nguyen Van Linh at the 24 August session of the Third Plenum of the Sixth CPV Central Committee, held 20-28 August; place not given — read by announcer]

[Text] Comrades: Following a period of intensive preparations, with opinions contributed by the comrade members of the Central Committee, many production and business establishments, and various sectors and levels, the Political Bureau today presents to the third plenum of the party Central Committee the draft resolution on renovating the mechanism of economic management. Before the plenum holds discussions and issues



a resolution, I would like to present some thoughts about the way issues were raised in the draft resolution and, through this, suggest some more issues that need to be discussed to further clarify the contents of the draft resolution.

Comrades, the successful implementation of the sixth national party congress resolution dealing with the economic field decisively depends on the extent to which we renovate the mechanism of economic management and on the speed of this renovation. It is for precisely this reason that the party congress set forth the tasks of uniformly shaping a new economic management system with planning as its central link, implementing socialist accounting and business practices in strict accordance with the principle of democratic centralism, and developing the efficiency of the new mechanism of economic management to satisfactorily exploit the capabilities of various production establishments and consolidate order and discipline in economic management.

The task of renovating the mechanism of economic management is currently a pressing requirement and the most important integral part of our party's entire activity in the domain of economic leadership. In this domain, our party is embarking on four extensive, closely related activities: implementing the three major economic programs, carrying out socialist transformation, renovating the mechanism of economic management, and renovating organization and cadres.

Renovation of the mechanism of economic management will yield good results only if it is closely linked with implementation of the aforementioned activities.

At present, what we lack most are not only the material and technical bases of socialism and sources of supplies to meet the demands of production and life, but also a suitable mechanism of economic management to drive the entire national economy, as well as each production and business establishment, in the most efficient manner. The building of a new mechanism of economic management is an essential condition for the rational and effective use of existing material and technical bases and for actively contributing to the creation of new sources of supply for the national economy, thereby serving the implementation of the three major economic programs.

Proceeding from this perception, although only 8 months have elapsed since the sixth party congress and they have had to carry out many other tasks, the Political Bureau and Central Committee have devoted a great deal of time to the task of renovating the mechanism of economic management. Last April, the Second Plenum of the Central Committee issued a resolution on urgent problems of distribution and circulation. This was an important component in the renovation of the mechanism of economic management as a whole; it focused on renovating mechanism, policy, and organization in the area of distribution and circulation, an area that is creating major obstacles in the direct production sector.

This was a correct and creative resolution reflecting the renovation of economic thinking as called for by the sixth national party congress.

However, as noted in the conclusion reached by the Political Bureau, the resolution of the second plenum of the Party Central Committee has not yet penetrated life; therefore, the distribution and circulation situation is still developing in a complex manner and, in some respects, the situation has become even more acute than before. On the basis of ideas contributed by the comrade members of the Central Committee at this plenum, the Political Bureau, the Secretariat, and the Standing Committee of the Council of Ministers will continue to guide expansion of this resolution's implementation in order to bring about meaningful changes. In the past few months, the Political Bureau has held discussions on many occasions and has directed its staff organs to prepare a program for renovating the mechanism of economic management. In renovating the economic management mechanism, two fundamental issues arise — renovating the management mechanism at the level of grass-roots units and renovating state economic management. Realities, as well as theories, show that these two issues are organically related; neither of them can be ignored. Grass-roots economic units are the cells of the national economy where material wealth is produced so that society can provide for the laboring people's life and, at the same time, accumulate funds for the grass-roots, as well as capital for the state.

Therefore, a key link is renovating the management mechanism at the grass-roots level along the line of establishing its right to autonomy; this will help to closely link authorities with responsibilities and benefits with obligations so that a strong driving force is generated in production and business. However, grass-roots economic units must operate within a unified national economy under the guidance, moderation, and orchestration of the highest director, namely, the proletarian dictatorship state. The strength and superiority of our system stem from the harmonious combination of these two fundamental factors. Here, contradictions as well as unity exist. Finding a suitable mechanism to ensure the dynamism of the grass-roots level as well as the centralized and unified character of the entire economy is a difficult task in the practice of socialist economic management. This is an important requirement in renovating economic management in the fraternal socialist countries, as well as in our country at present.

In the Political Bureau's draft resolution No 306, we have defined, although still inadequately, the important issues with the aim of guaranteeing the grass-roots economic units' right to autonomy in production and business. However, as you see, comrades, the draft resolution fails completely in dealing with the issue of state economic management; even the section referring to the grass-roots economic units' autonomy needs to be supplemented at many points. The new program is designed to overcome these shortcomings and to perfect a number of issues already raised.

It should further be said that the very experimental implementation of draft resolution No 306 has revealed the pressing need to renovate state economic management. From this, we realize that renovation of management at the grass-roots level is the starting point for renovating economic management at the higher state level instead of the other way around. At present, we have not perceived the content of state economic management in its entirety; more time is needed for things to reveal themselves. Therefore, it is very possible that some comrades are not yet satisfied with the way this issue is presented in the program. Those comrades who feel that some points need to be supplemented or revised are encouraged to contribute their views.

In discussing the draft resolution to be submitted to the third plenum of the party Central Committee, some comrades contended that the draft resolution should deal with all models of grass-roots economic units as cited in the Political Bureau's draft resolution No 306 — namely, grass-roots state-run economic units in industry and agriculture and collectivized economic units in agriculture and artisan and handicrafts industries — and in addition to these units, the individual private capitalist economy, joint state-public enterprises, and the family-run economy. The Political Bureau has carefully debated this issue. In principle, we feel this contention is rational in some respects, particularly in view of the need to immediately establish a management mechanism for economic units in agriculture in support of the primary program of grain and food, as well as development of agriculture and rural areas in general. However, the issue to be raised does not lie in whether these subjects are pressing or not, but in how we have prepared for this work. Indeed, we cannot in a short period of time prepare a plan for all forms of grass-roots economic units if we do not want to end up with very general ideas. To achieve our aim, we need to conduct a fact-finding study of the situation and causes of the issues to be raised. From this, we can come up with practical, correct, and clear-cut measures aimed at helping grass-roots economic units advance.

It is not at all simple to evaluate the issues currently arising in agriculture and the rural areas, especially the issue of giving out contracts for end-products to individual laborers as well as the way of perfecting contracts and other after-contract management forms. The field of small-industry and handicraft production is no less complex. Therefore, it is more reasonable for us to prepare these subjects in a more careful and urgent manner and present them to the next CPV Central Committee plenum, so that it can have the Political Bureau incorporate them in a resolution.

At this CPV Central Committee plenum, we can only mention the formula of grass-roots state-run economic units and we will go deeper into state-run industry. It is realistic to raise the issue this way. For many years now, a number of state-run grass-roots economic units have adopted several new, dynamic, and effective business methods. These serve as a basis for us to perfect, supply,

and improve the new management mechanism. We also have the Political Bureau's draft resolution No 306, which makes a relatively profound presentation of this issue. Furthermore, we have a little more than a year to carry out experimentation in order to find out which areas are good and which do not merit further attention.

A number of comrades feel that since the economy has five components, dealing only with the state-run economic sector is too limited. This is because the state-run economic sector is only a small component in the national economy. This argument is correct only in the formal sense. It should be noted that the industrial and state-run construction sector employs a labor force accounting for little more than a million out of the country's total 30 million laborers, and this sector has been able to create only 35 percent of the total volume of social production and 24% of the total national revenue — this is from statistics obtained in 1985. However, it is a very important force controlling the country's essential economic arteries. This is not to mention other state-run grass-roots economic units in home trade, foreign trade, transportation, services, and so forth.

Our national economy is now facing many difficulties. This is largely due to the fact that state-run grass-roots units are not strong enough. With a renovated management mechanism, these economic units will become stronger, have a good effect on the entire economy, and play a leading role in achieving joint business ventures and integration among various economic components, thus creating favorable conditions for satisfactorily implementing the three major economic programs. Thus, the issue to be raised does not lie just in quantity, but, more importantly, in quality.

There is another approach in light of the main subjects of the plan. A number of comrades feel that before discussing various forms of grass-roots economic units in detail, it is necessary to reserve a part [of the main subjects] for presenting all of the general points of the management mechanism as a fundamental guideline and a foundation for guiding the establishment of various concrete management mechanisms. What can we say about this suggestion? I think that methodologically, there are two ways to raise an issue. First, we can go from things that are general to things that are particular and from things that are integrated to things that are specific. Second, we can go from things that are particular and specific to things that are general and more integrated. As for the first way to raise an issue, I think that if we want to go from general ideas to specific ones we must grasp the general to a certain extent. Grasping the general absolutely requires a generalization of the specific through research. Otherwise, the general could very easily become a premise that has little concrete effect on practical guidance. Furthermore, the autonomy system in a state-run economy is different from the autonomy system in a collective economy; it also differs vastly from that in an individual economy and private capitalist economy. As a matter of fact, in the individual and private capitalist economies there is no need to raise the



issue of economic autonomy because it is a matter of course when ownership of the means of production and the organization of management and distribution fall under the authority of these economies. A soloist can direct himself; the state need only issue policies to ensure that such economies develop in the right direction, and to administer strict management.

Although we still do not have sufficient conditions to study such complex subjects in order to formulate a fully worked-out overall concept of the general, I think that, with regard to the main features, we can rely on the economic management mechanism expounded in the sixth national party congress resolution. These main features are such issues as the orientation of renovating the economic management mechanism, the principle of socialist accounting and business, centralism and democracy, the role of economic levers and socialist legislation in economic management, and so forth. These issues, though only a broad outline, can still serve as a lodestar for the drafting of various decisions on a concrete economic management mechanism. If what we want is to deal with general issues more fully, more deeply, and in a manner closer to the reality of economic management to provide concrete guidance for the building of management models for various economic forms, I do not think we can do it at this time because we have not yet accumulated sufficient experience, as well as a theoretical basis.

Comrades, in nature as well as in society, both theory and reality have proven that to change from one state to another requires transitional steps. It is impossible to leap to a higher form when the material conditions to ensure its existence have not yet been fully prepared. A task laid down must be closely linked with the means necessary for its implementation. In many respects, our country still lacks the premises and conditions for the establishment of an economic management system that is completely new in nature, perfect, and uniform. This is because of the following:

1. Our country's economy is still severely out of balance. There is too big a gap between supply and demand; normal conditions still do not exist for reproduction, even for simple reproduction; the society's production system has not yet been reorganized and rearranged; the domain of distribution and circulation is still chaotic; inflation is still serious; and the criteria for production and business efficiency are not stable.

2. The program for socialist construction as well as the social economic strategy has not yet been shaped; the economic structure has only been defined in a general fashion. We cannot put the cart before the horse, nor can we formulate and implement a perfect economic management strategy with a totally new quality before these tasks are finished.

3. The mechanism of bureaucratic centralism based on state subsidies that prevailed for many years in the past still exerts a strong influence and cannot be overcome

- overnight. 4. The contingent of cadres and the organization of the apparatus are not yet totally prepared for a thorough renovation in both practical experience and knowledge.

In these circumstances, what is most important to us at this time is a strategy of management geared to the existing socioeconomic state. This is a highly unstable economic state in which old economic forms remain firmly rooted, and the new ones are in an embryonic stage. In other words, this transitional economic state requires a transitional mechanism of management that simultaneously employs both old and new factors. This is reflected, not only throughout the entire economy but also in each process, each economic unit, and each economist. In the Soviet Union at present, although our friends have given themselves the duty of thoroughly reforming the economic management mechanism, this is their long-term goal. To achieve this objective they must, for a number of years, take necessary transitional steps in certain areas such as price reforms, supply trading, and so forth.

What has to be asserted is that we must make a transition in order to advance along the line of full socialist business accounting, overcome bureaucratic centralism and state subsidies, further broaden the grass-roots economic units' right to autonomy in production and business, and guarantee correct democratic centralism of the planned economy. How adequately this will be accomplished depends on the subjective and objective conditions that are already in place. New things cannot emerge when we are still being influenced by the passive wait-and-see attitude. We must actively work to promptly bring about these conditions. It is expected that, beginning in 1988, some enterprises will shift to socialist business — first of all, those operated jointly with the Soviet Union and those processing and producing consumer goods that have fairly stable sources of supplies and distribution outlets. It will be possible to carry this out on a wider scale in 1989 and to basically shift economic units and the state machinery to the new management mechanism in 1990.

As an immediate step, satisfactorily implementing the resolution of the second plenum of the party Central Committee will be an important point of progress that positively contributes to renovating the general mechanism of economic management.

The spirit of the draft resolution takes into full account the transitional characteristics of the economy and the management mechanism. Proceeding from this realization, in the current situation we cannot completely switch the entire economy over to full socialist business accounting yet. Presently, a number of grass-roots economic units can accurately and fully account for operational expenses and production costs without increasing prices on the social market and causing unexpected price increases that stretch the endurance of the economy and the consumers' purchasing power. Nevertheless, it is premature to say that all grass-roots economic units can



do so. Time is needed to reorganize production, improve management and techniques, and reduce intermediary links and indirect labor operations. It is a fierce struggle to achieve renovation by renouncing the mentality of reliance and the habit of depending on state subsidies, where the state is considered to be a nursemaid who is ready to cover all losses or where the consequences of business practices that give no consideration to efficiency are heaped on the consumers.

Also, it is impossible for us to immediately abolish a number of necessary legal norms, which are very much reduced in comparison with the past, and simply replace them with orders for goods placed by the state and other consumer organs, with contract bids, with economic-technical norms, and with economic stimuli — in short, with indirect economic instruments.

We do not think that the use of these economic formulas will lead to any movement away from socialist principles of economic management. But we cannot use these new management methods yet because they are closely linked to specific prerequisites and conditions that we cannot create at this time. Therefore, the new management forms cited above must be applied only as experiments in areas where conditions permit.

Another unrealistic suggestion is the immediate commercialization of materials trading among various economic components. At a time when there is a serious shortage of sources for materials and even state enterprises have only about 50% of their requirements guaranteed, materials must continue to be distributed in accordance with the state plan's priority objectives. At present, all we can do to improve this field of activity is cease the distribution of materials at too low a price since this will lead to waste or the resale of these materials by enterprises in order to benefit from price differences. Depending on each type of enterprise and material, the state will set specific prices for materials, selling materials at fixed prices with varying compensations for losses. The general goal for the future will be for the state to cease compensations for losses. The state will also try to reserve certain types of materials, especially those that are still backlogged, for sale to other economic components in order to meet part of their production and consumption requirements.

A number of comrades feel it is necessary to widely and promptly apply, to all kinds of goods, the one-price system in which the currency will have only one value measuring unit. Otherwise, there will be no way to prevent negativism of all sorts from occurring. Theoretically, this policy is correct. But judging from our present reality, this policy is too idealistic. In any country where there is a serious imbalance in supply and demand for essential materials and goods and a high rate of inflation, one must set quotas and stable prices for these materials and goods due to economic and political considerations.

We must do this despite of any reluctance on our part. But unlike before, we are now much wiser and know how

to minimize two-price goods and how to keep the state-adopted prices from being too different from society's market prices. There must be a regular readjustment of prices in accordance with a flexible system since the inflation rate is still great. This is a transitional and dual measure designed to maintain the existence of the two-price system in order to proceed to the one-price system when conditions permit.

By the way, I would like to give some opinions about learning from foreign countries' experiences. As we are a country that has only recently come to socialism, our experiences with socialist construction in general and with economic management are still limited; learning from the experiences of our fraternal countries is very necessary. The issue is how we should learn. First, it is necessary to study the issues carefully in order to grasp the true substance of new economic formulas applied by those countries both in terms of theory and practice. Second, it is mandatory to study the circumstances and the economic, technical, and social conditions of our people so that we can know how to apply these formulas. Thus, the application of foreign countries' experiences in our country is really a process of serious and careful study. It does not accept mechanical copying. In this regard, it would be very helpful to recall Lenin's advice to the communists in the Caucasian republics following the October Revolution: They can and must carry out the transitional process of advancing toward socialism in a slow, cautious, and systematic manner that is different from the Russian SSR. This is because these countries are more populous than the Russian SSR. (Complete Collection of Lenin's Works, Volume 43, pages 237-238)

Dear comrades, owing to the socioeconomic importance of grass-roots state-run economic units, we consider the renovation of the management mechanism at this level an important issue. To accomplish this, it is necessary to guarantee the necessary conditions as our current capabilities permit enterprises to exercise their right to autonomy in production and business, cover their own expenses, and achieve profitable development so as to accumulate capital for themselves as well as for the state. The first step taken to remove the limitations imposed on production and circulation in our national economy was marked by the resolution of the fourth party Central Committee's sixth plenum. Nevertheless, that resolution only set forth a number of policies and measures that were neither systematic nor well-coordinated; and in addition, these policies and measures were not institutionalized in a timely manner. Consequently, state-run enterprises have generally been tied up. The biggest limitation is that while the state does not have enough supplies and raw materials, resulting in most of the production capacity of the enterprises being unused and the laid-off workers drawing 70% of their pay, rigid regulations on prices and other inconvenient procedures have prevented the enterprises from creating their own sources of supplies and raw material for production.

Contrarily, the private capitalist and individual economies, being subjected to no limitations and aided by laxity of state control, have flourished, especially in the area of trade.

With the Secretariat's Directive No 100 on product contracts and the government's Decisions Nos 25 and 26-cp, autonomy and dynamism have been more or less injected into the production activities of agricultural and industrial units belonging to the socialist economic component. Instead of passively relying on supplies provided by the state as before, the enterprises have, through joint business ventures, economic integration at home, and export-import operations, taken the initiative in meeting part of their own need for supplies and raw materials. Materials they procure for themselves are purchased at agreed-upon prices and accounted for in practice as part of production costs. Thanks to this, some enterprises have been able to restore production, create wealth for society and capital for the state, and take care of the employment and living conditions of cadres and workers.

However, in addition to these positive aspects some negative phenomena have arisen. We have displayed a lack of calmness in dealing with these negative phenomena and hastily used administrative measures based on bureaucratic centralism and state subsidies for their prevention and control. For instance, enterprises are rigidly required to account for the production expenses involving their self-procured supplies at state-directed prices; too low a cap is placed on their wage and bonus funds; and so forth. These policies have further widened the gap between planning and the market and paralyzed grass-roots' dynamism. As a result, the enterprises have again been driven into a difficult situation as before in their production and business activities. Meanwhile, private and individual production, free from the bind of state regulations, has developed freely and monopolized the trade of many items on both the buying and selling markets. The prevalent situation is that state-run production lags behind collectivized production, and the latter lags behind private and individual production. Although this is paradoxical, as in the popular story of a young cock defeating a full-grown rooster in a fight, it is a reality in our country in the recent past as well as at present.

After years of research and practical experimentation for which dear prices were paid, with the Political Bureau's Draft Resolution No 306 dated April 1986 we initially found the correct direction for production and business activities and increased the autonomy of grass-roots state-run economic units. Although the draft resolution has its own drawbacks, especially with regard to its concretization by Decision No 76, it gives recognition to the effective actions taken by the various units and localities, many of which though logical were previously illegal.

In briefly reviewing the birth of the new mechanism, the following two observations are noted:

1. The birth of the new mechanism is not simple, and is replete with contradictions. Throughout its tortuous and complex development, it has met with temporary setbacks. The lesson that can be drawn for our forthcoming work is the requirement for fortitude. We are allowed neither to reverse the trend of renovating the management mechanism along the line of establishing the grass-roots units' right to autonomy in production and business, nor to be driven by temporary shortcomings into rejecting or violating the general rule of fully broadening democracy for lower echelons while firmly upholding correct centralism at the higher echelons.

2. The adoption of a party Central Committee resolution is in itself important; but in order to ensure its realization in life, attention must be given to directing its institutionalization in the state plane so as to avoid contradicting its spirit and guarantee uniformity and timeliness. This task is very difficult and complex, but it is the central issue upon which our efforts must be concentrated for settlement.

I think these are lessons to which we should pay attention from now on.

The central issue raised this time around by the draft resolution of the Central Committee is to ensure the right to autonomy in production and the business of state-run basic economic units in their capacity as socialist goods producers. The draft resolution presented a general body of basic and systematic policies and measures which contain many new points. Therefore, not to waste your time, I would like to deal with only a few issues with which, in my opinion, we should concern ourselves.

To make it possible for enterprises to realize their economic autonomy, I think that they must have control over sources of supplies and raw materials. In the current situation in our country, nearly all enterprises are provided, to a varying extent, with supplies generated by two sources — the state source and the self-procured source. Concerning the first source, it is required that the state notify enterprises early and ensure a partial but uniform provision of these supplies right before the plan year. Concerning the portion of supplies which enterprises must procure themselves, some of these supplies come from imports, some from the domestic market. Regarding imported supplies, the grass-roots units can entrust their import to the central level or they can obtain them through regional import-export organizations. In the particular cases of some large establishments, they may be authorized to import supplies directly in strict accordance with state policies and law.

With regard to the supplies available domestically, the state should work out appropriate regulations to avoid two phenomena — tying the hands of enterprises in creating sources of supplies, or allowing them to scurry around, sowing disorder in the market. But, in principle, under the current conditions, we must encourage enterprises to create more sources of supplies. Once we accept



that there is a portion of supplies that enterprises have to procure by themselves, we must inevitably accept their market prices. These prices must be set according to established guidance and direction, not according to the free market, and this portion of expenditure is allowed to be fully included in the production costs. The state should adopt regulations to ensure reasonable prices for the portion of supplies procured by the enterprises themselves to avoid hurting the latter's interests and, at the same time, to prevent them from running after free market prices, thereby inflating them.

Since supplies come from two different sources, they carry two different prices. However, a product made by an enterprise cannot have two prices. Discussions should be held on this issue to reach a unity of views. Is it not a good idea to apply the averaging method in computing the prices of supplies and raw materials coming from both sources?

The autonomy of enterprises can be guaranteed only when there is a mechanism designed to stimulate legitimate interests. Regarding this matter, determination of the limits of profits is of foremost significance. The method of computing profits as a percentage of production costs of some particular products does not encourage enterprises to operate efficiently because the higher the production costs, the more profit the enterprises will make. The new method of determining the profits of enterprises must be based on the principle of total business receipts minus expenditures and the amounts turned over to the state. This means that the lower the production costs, the higher the profits. This is the source of economic emulation activities between enterprises. It will create a moving force to promote business accounting and to compel enterprises to put their production machinery into high gear, thereby creating realistic potentials for harmoniously settling the three kinds of interests. I suggest that you, Comrades, hold discussions to determine if there are more rational and scientific ways of determining profits.

One of the important autonomous rights of enterprises is financial autonomy. The requirement here is that, generally speaking, enterprises must meet their own expenditures, take care of the livelihood of their own workers and office employees, make profits to achieve their own accumulation of capital for expanded reproduction and to discharge their obligation of contributing the budget. This is a very high and severe requirement.

In order to fulfill this requirement, the state creates conditions in terms of sources of capital for enterprises, such as writing off all depreciation funds for enterprises, stabilizing the rates of budgetary deliveries for a certain number of years, allowing enterprises to mobilize their funds in several forms, and extending ample right to enterprises to use their assets. Moreover, the state ensures other rights to autonomy for enterprises in the fields of planning, material supply, consumption of products, labor, wages, and so forth.

I want to stress that all these rights are only necessary conditions determined by the state for enterprises to conduct production and business favorably. These rights to autonomy by themselves cannot lead to good results in production and business. To do that and work efficiently, it is imperative that enterprises effect vigorous changes in direct production. Whether the volume of products and goods is large or small, income is high or low, workers' living conditions can be improved or not, enterprises can develop themselves or not, and obligations to contribute to the budget can be reduced much or little, it all depends on this task. In this, enterprises are required to have high initiative and dynamism, know how to rationalize production organization, reduce intermediary links and indirect labor, constantly apply technical innovations, and economize on capital, raw and other materials, and energy to turn out high quality products at low production costs. Our highest hope and objective lies here. A matter of concern is that in this respect, changes in enterprises are still very slow to take place. This is partly because higher echelons have been slow in eliminating the old management mechanism and building the new one and in securing sufficient necessary material conditions for enterprises to operate.

The Steering Subcommittee of the Council of Ministers, which recently conducted a pilot survey of production costs in some enterprises, has made a general observation that the organization and management of direct production has not actually improved. In most cases, production expenses are merely added together following the former norms to calculate production costs. As a result, there have been quite a number of enterprises in our country which have recorded false profits and true losses. Some enterprises have sought many different illicit ways to make high income that does not result from an effort to increase labor productivity. The state demands that enterprises make correct and true accounts, accurately reflecting the results of their production and business operations.

We are certainly not happy to hear that some enterprises have adopted different ways to account for and distribute their income by using on two or even three books with the one to be submitted to higher echelons contains much false information.

The basic and healthy way to develop and increase income as well as the far-reaching goal of renovating the management mechanism in primary economic units is to vigorously step up production, increase labor productivity, and enhance product quality. This is a matter that should be of primary concern to us.

State-owned enterprises play the leading role in the economy. This role must be manifested by the productivity, quality, and efficiency of production and business operations by the enterprises which must be definitely higher than that of primary economic units of other economic elements; by the occupation of key economic and technical positions from which to control and orient development correctly for other economic elements; and



by the key joint enterprises and economic alliances among different economic elements. If we can do this, we will reverse the long-standing situation in which the state-owned economy has been defeated by the collective, individual, and private capitalist economies.

The draft resolution has pointed out the major principles for joint enterprises and economic alliances. Nevertheless, the organizational forms to diversify them in conformity with the characteristics of each trade and job, as well as the mechanism to manage the forms of joint enterprises and alliances domestically and with foreign countries still present many problems to be studied continuously.

The right of enterprises to autonomy cannot be separated from the rights of collectivized workers to collective mastery in the enterprises. The draft resolution has established relatively clearly the responsibility and authority of organizations in primary economic units, heightening the directors' position. Many points in the previously issued Decision No 182-cp remain valid. They should be referred to when materializing the right to mastery of collectivized workers in enterprises.

The key point to ensuring the right to mastery of collectivized workers in enterprises is to develop the role of party committees, directors, trade unions, and youth unions. Here lie the questions for further discussion as raised by some comrades: In enterprises, has the party assumed comprehensive leadership? How should party organizations in joint enterprises be organized? If joint enterprises are located completely in a city or a narrow area, is it necessary to apply the form of party organization of a secretaries' conference in the enterprises or to establish a unified party organization?

The assurance of autonomy for enterprises further depends on a very important task, the renovation of state economic management. The basic principle to be applied here is to clearly distinguish the function of directly managing production and business in primary economic units and the function of state economic management. The distinction is aimed at enabling the state to concentrate ability on assuming the key tasks and domains of the national economy, eliminate petty interference in the enterprises' operations, and create the most favorable conditions and environment for production and business operations in the enterprises.

The more correctly the state can control the key domains and tasks of the national economy — large scale — the more conditions it can create for economic units — small scale — to operate dynamically and creatively, making it impossible to deviate from the orbit of the planned economy. Although the main contents are mentioned in the project, there are still many issues to be materialized such as the function, mission, authority, apparatus organization, and management procedures of the Council of Ministers, ministries, and general commissions, of specialized departments as well as of the administration at the provincial, city, district, precinct, village, and ward levels.

What is meant by the level superior to primary economic units should be further clarified. The issues of decentralizing management and of budget should also be further clarified. Anyhow, a party Central Committee plenum is still unable to completely resolve all the problems raised. What is valuable is that we know how to raise the problems to be resolved and are determined to renovate along the established line.

Finally, the renovation of the economic management mechanism depends on the decisive task, that of cadres. At present, our economic cadres are by and large insufficient quantitatively and weak qualitatively. Some of them have even poor ethics, stature, and viewpoints of the working class. What should be asserted is that such a situation is not caused by our shortages of cadres but by our lack of plans and programs as well as the correct procedures to select, train, foster, and employ cadres. This is a very urgent task that must be carried out immediately. To be able to do so, there must be a correct viewpoint on cadre standards. We must realize clearly and specifically the quality and ability of an economic management cadre, the characteristics of this type of cadre in comparison with other types of cadres, and the quality and ability of management cadres at each echelon and each economic and technical sector. Failure to have a clear viewpoint on this issue makes it difficult to plan the recruitment and training of cadres as well as to correctly assess cadres.

Dear comrades, the shift from a mechanism of management based on bureaucratic centralism and state subsidies to a mechanism of socialist business is renovation of a very profound revolutionary nature. It is certain that in this plenum, the comrade members of the party Central Committee will use their energy and intellect to the fullest extent to make important contributions to this revolutionary renovation. It is expected that some of the issues that I raised here will help secure more suggestions in the process of our study and discussion.

I sincerely thank you, comrades.

#### **Plenum Issues Communique**

*BK311434 Hanoi Domestic Service in Vietnamese  
1100 GMT 31 Aug 87*

[“Text” of Communique on CPV Central Committee Third Plenum held 20-28 August 87]

[Text] The third plenum of the sixth party Central Committee was held from 20-28 August 1987. Comrade General Secretary Nguyen Van Linh delivered an important address to the plenum. The plenum heard and agreed to the party Central Committee Political Bureau's report on reviewing performance and the urgent policies and measures to continuously implement the resolution of the sixth party Central Committee Second Plenum.

The plenum asserted: The second plenum resolution is correct. It reflects the spirit and content of the sixth party congress resolution. Through the implementation of the

party Central Committee Second Plenum's Resolution over the past 4 months and more, various echelons, sectors, and grass-roots units have made great efforts, yet the situation of distribution and circulation continues to develop badly. This plenum analyzed the objective and subjective causes of this situation, assessed the actual socioeconomic status of our country, and upheld the determination to lead all the people and party members to thoroughly understand the guiding concepts of the second plenum resolution, strenuously overcome difficulties, boost productive labor, practice thrift, firmly maintain discipline, resolutely struggle against negative phenomena, and help to gradually improve the situation of production, distribution and circulation, and livelihood.

The plenum discussed and approved the resolution on shifting the operations of state-run economic units to socialist business so as to economically renovate state management, resolutely eliminate the system of bureaucratic centralism and state subsidization, implement the system of planning according to socialist business procedures and in conformity with the principles of democratic centralization of which the central task is to implement the system of autonomy in production and business of the socialist economic units, primarily the state-owned economic units and, at the same time, to basically renovate the mechanism of state economic management, causing the primary economic installations to shift to socialist business.

The current purpose of renovating the economic management mechanism is to create a strong impetus to liberate all production capabilities, promote scientific and technological progress, and develop the economy and goods along the advance to socialism with increasingly higher productivity, quality, and effectiveness to immediately serve the three major economic programs, gradually implement the Four Reductions, establish order and discipline in all economic activities, advance toward stabilizing the socioeconomic situation, and create the bases for progress.

In renovating the economic management mechanism, we must generally apply the system of rules and laws in which the particular rules and laws of socialism have developed with every passing day their guiding and mobile role within a unified body in combination with the laws of value and other laws of goods production under socialism to warrant the actual central role for planning, correctly implement the principle of democratic centralization, resolutely oppose bureaucratic centralism and unprincipled liberalism, correctly resolve the economic interests of the entire society, collectives, or individual workers in which workers' interests are the direct motive force; intensify the role of party leadership in line with the requirements of renovating state economic management, and ensure the autonomy of primary installations and the right to mastery of workers' collectives. The plenum stressed that the prerequisites for renovating the economic management mechanism are to rearrange and reorganize production and to carry

out the socialist transformation of the economy, aimed at shaping up a rational economic structure and strengthening the material and technical conditions for the economy.

Renovating the economic management mechanism is a process encompassing many appropriate steps and at each step we must uniformly carry out the measures on policies, ideology, cadre organization, and the legal system in a synchronized manner among the various sectors and echelons from the central down to local and grass-roots levels.

The main point of steps to be taken from now until 1990 is to shift the activities of economic units to socialist business. To do so, we must implement the system of autonomy in production and business for primary economic units, especially those that are state run, along with basically renovating a step further their policies and operating procedures and organizing the state management machinery to create a business environment for primary economic units. At the same time, we must clearly define the limits to be observed by primary economic installations and must enhance the efficiency of state management control over the entire economy.

As for the implementation of a system of autonomy in production and business for state-run economic units, the plenum has used past experiences as its base in implementing the Political Bureau's draft resolution No 306 to supplement and enhance many specific points, to further extend autonomy to primary installations under centralized and unified state management control.

The plenum made some proposals to renovate a basic step further the state economic management mechanism. These are that the administrative agencies at all levels must correctly implement their function of state economic management and stop assuming the function of managerially controlling production and business, violating the of autonomy of economic units. At the same time, they must achieve rational labor division and distribution of authority between the central and local governments and on this basis gradually and rationally reorganize the state machinery at all levels.

In order to create conditions and a business environment for economic units, it is imperative to basically renovate the contents and methods of national economic planning by gradually shifting from the method of assigning norms and regulations which mainly emphasizes the relations between the allocation of materials and the delivery of products, to the method of mainly using various economic policies, stressing the need to ensure the scientificness and balance of plans.

The plenum stressed the need to combine implementation of the second plenum's resolution on the policies of distribution and circulation closely with the implementation of the third plenum's resolution into a unified body of the state economic management mechanism. The new economic management mechanism raises new

requirements for state management cadres, production and business management cadres, and demands that the cadre task be truly renovated.

In the current situation, cadres must positively participate in renovation and have the ability to successfully carry it out. Enterprise directors must know how to manage the economy, possess the ability to run business, be honest and clean, and have a healthy lifestyle. We must urgently train and replenish the existing contingent of cadres as an indispensable preparatory step for the implementation of the third plenum's resolution.

There must be a new viewpoint on the cadre task and the cadre recruitment system based on the principle of democratization and publication to assess cadres through the actual results of their performance. We must renovate the training scope and method and retrain leading and management cadres, research cadres, and teaching cadres in line with the new economic and management thinking, emphasizing the practicality and gradually enhancing systematicness.

The third plenum's resolution on shifting the operations of state-owned economic units to socialist business and on renovating state economic management marks a new step of development in the leading and economic management tasks of our party and state and lays a foundation for the formation of a new economic management mechanism in accordance with the sixth party congress resolution. The organization and implementation of the resolution calls for adequate preparations to carry it out step by step, positively, and steadily by promoting democracy, upholding discipline and law, regularly conducting control, and drawing on experiences so as to promptly adjust, amend, and perfect the scope of the new economic management mechanism.

The party Central Committee Plenum also approved the work regulations of the party Central Committee to ensure the correct implementation of the principle of democratic centralization in party activities, and enhance the revolutionary and scientific characteristics of the task of party leadership in order to meet the requirements of the new task.

**Cambodian Envoy on Reconciliation Policy**  
*OW311948 Hanoi VNA in English 1603 GMT*  
31 Aug 87

[Text] Hanoi VNA August 31 — Kampuchean Ambassador Tep Henn today reiterated the People's Republic of Kampuchea's full support for a political solution to the Kampuchea issue through negotiations with opposition groups on the basis of eliminating Pol Pot— the genocidal criminal against the Kampuchean people.

In a press conference held here today, the Kampuchean ambassador briefed Vietnamese and foreign correspondents on the contents of the P.R.K.'s national reconciliation policy issued in Phnom Penh recently. He said this policy was of great importance for the Kampuchean people which reflected the high sense of responsibility and good will of the People's Revolutionary Party of Kampuchea and the P.R.K. government to the destiny of the country and which conformed to the people's aspiration.

The ambassador highly appreciated the agreements on a solution to the Kampuchea issue recently reached in Ho Chi Minh City between the foreign ministers of Vietnam and Indonesia, representing the Indochinese and ASEAN countries respectively.

**Correction to Statement on ASEAN Meeting**

The following correction pertains to the item headlined "Foreign Ministry Statement on ASEAN Meeting", published in the 28 August East Asia *Daily Report*, page 35:

Page 36, paragraph two, sentence two: ...between the Kampuchean parties and Vietnam. it... (changing "party" to "parties")

Paragraph five, only sentence: ...any future agreements. [new paragraph] After 8 years of exploration and... ("a year" to "8 years")

Paragraph six, sentence two: an opportunity to seize, and the two. . . (changing "achieve" to "seize")



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